

Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: June 5, 2017
Presenter: County Manager Bill Rich
Attachment: Yes

ITEM TITLE: INTRODUCTION

SUMMARY: Manager Rich will request approval of a 2% increase of the occupancy tax for Ocracoke lodging establishments. Documentation both for and against is attached.

RECOMMEND: APPROVAL

Motion Made By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Motion Seconded By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Vote: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Subject: RE: Additional Occupancy Tax

From: "Bill Rich" <brich@hydecountync.gov>

Sent: 5/30/2017 11:19:41 PM

To: "'Scott Sheppard'" <scottsheppard815@gmail.com>;

CC: "Earl Pugh" <middletownfarms@embarqmail.com>; "Tom Pahl" <thpahl@earthlink.net>; "Ben Simmons" <twbscsiii@aol.com>; "Barry Swindell" <bsswindell@yahoo.com>; "'Dick Tunnell'" <stunnell@coastalnet.com>; "Fred Holscher" <fnh@rhpe.net>; "Kris Noble" <knoble@hydecountync.gov>;

Scott,

The 3% is in concrete, always was and always will be.....any legal purpose. This is totally under advisement by occupancy tax board and for the vote of BOC. Remember I told you \$157,500.00 could move from the old tax to the new. This will free up \$57,500 in new moneys for the OTB after granting \$100,000.00 to the county for Ocracoke EMS.

The new 2% \$320,000.00 can all be used for promoting travel and tourism both now and into the future.

Obviously Jack Whitehead and Bob Oaks got to you after my meeting with Jack in the street yesterday. That's ok and I understand. I'm not going into anymore analysis regarding rates and percentages as I don't have time, you already know them and you probably can't them to help our cause.

Thanks for your consideration.

Bill

-----Original Message-----

From: Scott Sheppard [mailto:scottsheppard815@gmail.com]

Sent: Tuesday, May 30, 2017 9:27 PM

To: Bill Rich

Subject: Additional Occupancy Tax

Bill,

I have given much thought to our discussion on Thursday of last week in regard to the proposed additional 2% occupancy tax. As you will recall, I started my line of questioning with what entities are currently being funded that don't have anything to do with tourism? While I recognize that these groups have a dire need for financial support, I also believe that these funds should come from Hyde Co. taxpayers not the occupancy tax collections paid for by Ocracoke's tourists. I would prefer to see this new tourism initiative come from the existing 3% that is already being collected.

We were both in agreement that the existing 3% had been no more than a 'slush fund' for county elected officials to keep ad valorem tax rates from increasing.

I have a couple of questions:

What is the current Hyde Co. tax rate?

What % of overall property tax collections come from Ocracoke?

What % of the overall population of Hyde Co. lives in Ocracoke?

How much money does 1penny on Hyde County's current tax rate generate in revenue?

I am curious about the above. I am not saying I am for or against what you are proposing.

Thanks,

Scott



To Whom It May Concern:

Re: Occupancy Tax Increase Proposal

I am, in general terms, never in favor of a tax increase unless absolutely necessary. With "absolutely necessary" meaning that all other options have previously been researched and exhausted.

In regards to the current discussion of the county utilizing the available 2% occupancy tax increase, my position is as follows:

1. If additional revenue is absolutely necessary to support essential services such as EMS, health clinic hours expansion, trash service, etc... I feel that an increase in occupancy tax is the best way to generate this revenue. I support this option above an increase in property taxes or implementation of food or other tax.
2. If the county can meet its essential services budget shortfall through an occupancy tax increase of less than 2%, then that is the route that should be pursued. If we can meet our needs with a 1% increase, then I see no reason to immediately institute the entire 2% increase.

Thank you,

Robert Orr
Berkley Manor
5/30/17

Ocracoke Tax Meeting – Bill Rich



Ocracoke Occupancy Tax FY 11-12 to Current

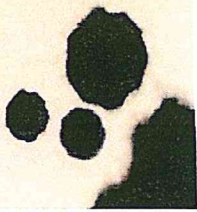
MONTH	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
JUNE as of 7/31	75,417.30	82,052.75	84,829.24	87,680.90	87,769.56	73,767.48
JULY as of 8/31	119,889.62	107,129.14	101,166.84	96,218.32	100,257.96	125,799.29
AUGUST as of 9/30	70,021.38	74,087.41	89,740.04	95,106.39	93,700.60	95,851.39
SEPTEMBER as of 10/31	32,054.37	46,893.80	41,141.75	44,482.56	46,564.43	47,158.08
OCTOBER as of 11/30	25,968.97	27,221.20	26,768.03	29,410.53	34,567.45	33,624.24
NOVEMBER as of 12/31	9,038.99	8,739.05	9,368.20	16,315.12	10,859.07	15,726.31
DECEMBER as of 1/31	4,968.15	3,138.59	6,670.04	4,032.79	7,895.03	3,353.19
JANUARY as of 2/28	1,952.36	1,617.17	1,861.02	2,183.19	2,470.03	3,864.64
FEBRUARY as of 3/31	1,712.43	1,592.78	1,017.79	1,440.02	1,728.83	3,965.18
MARCH as of 4/30	7,738.77	8,605.48	4,295.17	6,547.68	7,979.43	6,889.48
APRIL as of 5/31	22,804.03	14,892.28	20,856.63	21,645.36	20,359.94	
MAY as of 6/30	43,780.50	39,265.75	45,103.26	48,716.86	40,382.96	
TOTAL	415,346.87	415,235.40	432,818.01	453,779.72	454,535.29	409,999.28

Hyde County Sales Tax FY 11-12 to Current

MONTH	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
FOR JULY RECEIVED IN SEPT	\$126,534.84	\$136,265.02	\$108,156.05	\$135,018.35	\$146,665.56	\$135,360.98
FOR AUG RECEIVED IN OCT	\$144,725.11	\$141,000.94	\$138,995.30	\$138,995.30	\$158,163.34	\$145,916.53
FOR SEPT RECEIVED IN NOV	\$96,260.84	\$117,544.20	\$127,144.99	\$135,117.23	\$137,099.19	\$136,202.71
FOR OCT RECEIVED IN DEC	\$72,140.41	\$94,524.68	\$96,109.43	\$96,526.00	\$96,903.70	\$107,420.55
FOR NOV RECEIVED IN JAN	\$72,630.36	\$148,806.53	\$78,829.91	\$82,142.29	\$77,265.79	\$0.00
FOR DEC RECEIVED IN FEB	\$56,817.26	\$50,491.48	\$59,308.41	\$59,956.78	\$63,591.27	\$0.00
FOR JAN RECEIVED IN MAR	\$40,653.91	\$51,560.86	\$53,069.84	\$66,281.87	\$62,101.99	\$0.00
FOR FEB RECEIVED IN APR	\$48,316.10	\$37,896.11	\$48,649.05	\$54,002.93	\$60,562.23	\$0.00
FOR MAR RECEIVED IN MAY	\$48,237.31	\$55,662.18	\$40,167.96	\$49,907.42	\$50,875.77	\$0.00
FOR APR RECEIVED IN JUNE	\$57,948.09	\$60,120.67	\$55,971.66	\$54,555.81	\$73,243.77	\$0.00
FOR MAY RECEIVED IN JUL	\$74,026.10	\$66,937.62	\$67,723.31	\$69,942.77	\$80,454.71	\$0.00
FOR JUNE RECEIVED IN AUG	\$97,533.68	\$91,630.14	\$99,622.29	\$111,360.80	\$103,119.32	\$0.00
SUBTOTAL	\$935,824.01	\$1,052,440.43	\$973,748.20	\$1,053,807.55	\$1,110,046.64	\$524,900.77
PAID TO BOARD OF EDUCATION	\$219,018.02	\$237,713.04	\$231,182.52	\$278,480.16	\$326,757.91	\$143,410.09
TOTAL	\$716,805.99	\$814,727.39	\$742,565.68	\$775,327.39	\$783,288.73	\$381,490.68



Current Occupancy Tax Rate

- We have approximately \$16 million in room sales per year.
 - At the current 3% tax rate \$480,000 would be collected.
 - 10% of that total \$48,000 goes to the county for administration costs per legislation.
 - Leaving \$432,000 to be spent on any “legal public purposes” for the island.
- 

Proposed Additional Occupancy Tax Rate

- Adding 2% to the tax rate would create an additional \$320,000.
- \$9,600 would go to the county for administrative costs per legislation.
- This leaves \$310,400 for the promotion and marketing of tourism.

Occupancy Tax Board 2017 Appropriations

- | | |
|---|---|
| • Ocracoke Friends of the Library - \$3,040 | • Ocracoke Community Center - \$28,900 |
| • Ocracoke Childcare - \$500 | • Ocracoke Volunteer Fire Department - \$80,000 |
| • Ocracoke Arts Week - \$6,000 | • <u>Ocracoke Foundation - \$34,500*</u> |
| • Ocracoke Health Center - \$10,000 | • <u>Ocracoke Alive - \$12,000*</u> |
| • Ocracoke Youth Center - \$48,000 | • <u>Ocracoke Preservation Society - \$11,000*</u> |
| • Ocracoke School - \$16,277 | • <u>Ocracoke Civic Business Association - \$100,000*</u> |
| • Hyde County Tram - \$35,000 | • Total Appropriations - \$385,217 |

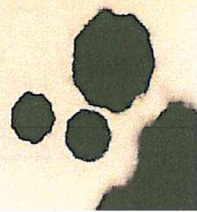
*These tourism related items could have been funded with the proposed additional 2%. Freeing up an additional \$157,500 to be used in the community.

Marketing Structures

County	Form of Promotion	Percentage	Membership
Carteret	TDA	6.00%	Chamber, Hotel Assoc., Board of Realtors, Commissioner, Mayor, At Large
Currituck	TDA	6.00%	5 Commissioners and designated travel and tourism representative (ex-officio non voting)
Dare	TDA	6.00%	N/A
New Hanover	TDA	6.00%	Hotel, B&B, Rental, Restaurant and Attraction Owners, Chamber of Commerce.
Onslow	Chamber	6.00%	Chamber of Commerce
Brunswick	TDA	6.00%	(In most of the County) Commissioner Appointees and Chamber Appointees



Ocracoke EMS Calls 2015-2016

- 2015
 - 207 Total Calls
 - 171 of these calls occurred between April and October (82.6%)
 - 2016
 - 229 Total Calls
 - 184 of these calls occurred between April and October (80.4%)
- 

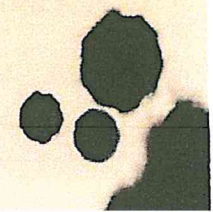


Ocracoke Sheriff Calls 2016

- 426 Totals Calls in 2016
- 210 of these calls occurred between May 30 and Sept. 5

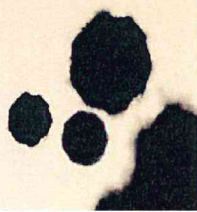


Ocracoke Solid Waste Pickups - 2016

- April had 13 pulls for a total cost of \$6,569.86
 - May had 20 pulls for a total cost of \$10,107.00
 - June had 21 pulls for a total cost of \$10,612.35
 - July had 24 pulls for a total cost of \$12,128.40
 - August had 30 pulls for a total cost of \$14,745.90
 - September had 28 pulls for a total cost of \$13,376.94
 - 1,134.80 TONS of solid waste pulled for \$67,540.45
- 



Assumptions

- 100% of TDA funds directed to heads in beds.
 - All OCBA funding come from TDA.
 - OCBA should have a strong presence on TDA Board.
 - TDA and OOTB should meet on occasion jointly to discuss total funding.
 - This new funding mechanism (2%) allows OCBA to be the tourism development vehicle for Ocracoke Island and also creates it's funding.
- 

The new 2% (approximately \$320,000.00) must be used on Ocracoke to promote travel and tourism. The existing 3% (\$480,000.00) must also be used on Ocracoke but for any legal purpose. This is where we help fund the ball field, firehouse, day care and in the past the Ocracoke Medical Center. Also from the existing 3% we fund 4 groups a total of \$157,500.00 that actually do promote tourism and travel. My proposal would be to fund the 157,500.00 from the new 2% which still leaves 150k plus for additional (shoulder season) marketing.

I am asking for \$100k from the 3% to go in the general fund to help fund EMS on the Island. We supply 24/7 emergency care with two staffed ambulances on weekends during the season and Holidays. Almost 80% of our total annual cost for EMS on Ocracoke is from May through September and almost totally involve visitors and lodging guests. Total annual expense is 750k. This still would leave (after admin fees) \$332,000.00 to continue funding all the wonderful causes we have always funded with this money plus some.

I believe if done right the new 2% will promote the shoulder seasons and grow our gross lodging receipts on the Island by 20%. For Ocracoke lodging alone this is 3.2 million not to mention the exponential increase to the Island and county from food, employment and additional sales tax.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

**SESSION LAW 2006-128
HOUSE BILL 882**

**AN ACT CREATING A TAXING DISTRICT IN OCRACOCKE TOWNSHIP FOR
THE PURPOSE OF AUTHORIZING THE LEVY OF A ROOM OCCUPANCY
AND TOURISM DEVELOPMENT TAX.**

The General Assembly of North Carolina enacts:

SECTION 1. Occupancy Tax. – The Ocracoke Township Taxing District is created. It is coterminous with Ocracoke Township in Hyde County. The Ocracoke Township Taxing District is a body politic and corporate and has the power to carry out the provisions of this act. The Hyde County Board of Commissioners shall serve ex officio as the governing body of the district, and the officers of the county shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

SECTION 2. Authorization and Scope. – The governing body of Ocracoke Township Taxing District may levy a room occupancy tax of up to two percent (2%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the district that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales or room occupancy tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

SECTION 3. Administration. – A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155, as if it were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this act.

SECTION 4. Distribution and Use of Tax Revenue. – Ocracoke Township Taxing District shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Ocracoke Township Tourism Development Authority created pursuant to Section 5 of this act. The Authority shall use at least two-thirds of the proceeds distributed to it to promote travel and tourism in the district and shall use the remainder for tourism-related expenditures in the district. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of Ocracoke Township. None of the proceeds may be used to promote travel or tourism in areas within Hyde County that are outside of the district or for tourism-related expenditures in the county that are outside of the district.

The following definitions apply in this act:

- (1) Net proceeds. – Gross proceeds less the cost to the district of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a district or to attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

SECTION 5.(a) Ocracoke Township Tourism Development Authority. – Appointment and Membership. – The Board of Commissioners of Hyde County shall adopt a resolution creating the Ocracoke Township Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The Tourism Development Authority shall have five members in addition to the Finance Officer. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members must be individuals affiliated with businesses that collect the tax in the district, and at least one-half of the members must be individuals currently active in the promotion of travel and tourism in the district. The Board of Commissioners shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Hyde County shall be the ex officio finance officer of the Authority.

SECTION 5.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in Section 4 of this act. The Authority shall promote travel and tourism in the district and make tourism-related expenditures in the district.

SECTION 5.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Hyde County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

SECTION 6. G.S. 153A-215(g) reads as rewritten:

"(g) This section applies only to Alleghany, Anson, Brunswick, Buncombe, Cabarrus, Camden, Carteret, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Franklin, Granville, Halifax, Madison, Montgomery, Nash, New Hanover, Pasquotank, Pender, Person, Randolph, Richmond, Rockingham, Rowan, Scotland, Stanly, Transylvania, Tyrrell, Vance, and Washington Counties, to Watauga County

District U, and to the Township of Averasboro in Harnett ~~County~~ County and the Ocracoke Township Taxing District."

SECTION 7. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19th day of July, 2006.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

Subject: FW: Ocracoke Occupancy Tax

From: "Bill Rich" <brich@hydecourtnc.gov>

Sent: 5/31/2017 11:05:36 AM

To: Rjohnson@hydecourtnc.gov; "Lois Stotesberry" <lstotesberry@hydecourtnc.gov>;
"Kris Noble" <knoble@hydecourtnc.gov>;

From: Bill Rich [mailto:brich@hydecourtnc.gov]

Sent: Tuesday, May 30, 2017 2:15 PM

To: dshumate@hydecourtnc.gov

Subject: FW: Ocracoke Occupancy Tax

From: Robert Wells [mailto:rwells@southerninsurance.com]

Sent: Friday, May 26, 2017 2:51 PM

To: Bill Rich (brich@hydecourtnc.gov)

Subject: Ocracoke Occupancy Tax

Bill,

Thanks for speaking to me and sending me information with supporting documentation for the proposed 2% increase in the occupancy tax. As a business owner supporting Ocracoke and an owner of a couple of rental properties, I fully support the 2% increase.

I believe the additional revenue promoting travel and tourism for the shoulder season will greatly benefit business and their employees. It will help grow annual retail sales and lodging receipts providing healthy employment.

As the summer tourism continues to grow, the funding should also support the increase need for County services for all the guest.

Thanks again for all your efforts.

Sincerely,

Robert E. Wells, CIC

SOUTHERN INSURANCE - A TOWNE INSURANCE AGENCY

President

PO Box 1486

Kitty Hawk, NC 27949

Tel: 252-255-0200

Fax: 855-814-8591

Cell: 252-207-4208

Email: rwells@southerninsurance.com

Subject: 2% Occupancy Tax

From: "Kris Noble" <knoble@hydecountync.gov>

Sent: 5/30/2017 10:52:27 AM

To: "Bill Rich" <brich@hydecountync.gov>; "Earl Pugh" <middletownfarms@embarqmail.com>; Rjohnson@hydecountync.gov; "Tom Pahl" <thpahl@earthlink.net>;

In Mr. Oaks email he states, "I believe marketing by the government is a poor solution, because there is no real way to measure its effect."

Marketing efforts which utilize occupancy tax funds is the standard across the board in coastal North Carolina. For your information here are just a few structures for coastal NC marketing:

County	Form of Promotion	Percentage	Membership
Carteret	TDA	6.00%	Chamber, Hotel Assoc., Board of Realtors, Commissioner, Mayor, At Large
Currituck	TDA	6.00%	5 Commissioners and designated travel and tourism representative (ex-officio non voiting)
Dare	TDA	6.00%	
New Hanover	TDA	6.00%	Hotel Owners, B&B owner, rentals owner, attraction owner, Chamber, Restaurant Owner
Onslow	Chamber	6.00%	Chamber of Commerce
Brunswick	TDA	6.00%	(In most of the county) Commissioner Appointees and Chamber Appointees

He also states, "The marketing world is moving fast, and moving away from "shotgun", mass media, to personalized digital marketing." This is precisely the reasoning behind the county suggesting that Ocracoke's current marketing efforts be redirected and guided by Comprehensive Marketing Plan in 2015. Until that point, marketing efforts in Ocracoke included television and online advertising with Lewis Advertising. This marketing package was not backed by any formal research or analytics. It was essentially a "shot in the dark". In addition the OT funds paid for a part time position for OCBA, funding for OCBA for tourism promotion, a small amount to the Chamber and funds for special events (Ocracoke, 4th of July, etc.)

At that time Hyde County completed a Ocracoke Tourism Marketing Research project directed by the Ocracoke Occupancy Tax Board in Spring 2014. The purpose was to evaluate current tourism marketing efforts and provide options for improvement. After research, surveys of local businesses, public input meetings

and consultation with marketing professionals the county recommended the creation of a TDA, enacting the additional 2% and completing a comprehensive marketing plan and then budgeting implementation money to implement that plan after completion.

Of course we received serious blowback on that recommendation (which I believe was directed at the county itself and not the concept), but what happened was a true benefit to Ocracoke. OCBA decided to move forward with the comprehensive marketing plan with a paid consultant. That was a great move and if properly accomplished and implemented it will take Ocracoke to a new competitive level which is exactly what the county wanted to accomplish.

Enacting the additional 2% will give Ocracoke the funding to fully implement the comprehensive marketing program, meet the needs of their traveling tourists and fund the non-profit organizations as they traditionally have.

What we have here is a case of division and the sooner OCBA, businesses owners, citizens and Mr. Oaks realize we are all in the same boat and must work cooperatively with each other and not competitively against each other, the sooner we can begin to improve our situation.

Kristen Cahoon Noble
County of Hyde
Assistant County Manager
(cell) 252.542.0802

----- Original Message -----

From: "Bill Rich" <brich@hydecourtync.gov>

To: "Kris Noble" <knoble@hydecourtync.gov>; "Barry Swindell" <bsswindell@yahoo.com>; "Ben Simmons" <twbscsiii@aol.com>; "Dick Tunnell" <adtunnell@coastalnet.com>; "Earl Pugh" <middletownfarms@embarqmail.com>; "Fred Holscher" <fnh@rhpe.net>; Rjohnson@hydecourtync.gov; "Teresa Adams" <tadams@hydecourtync.gov>; "Tom Pahl" <thpahl@earthlink.net>

Sent: 5/30/2017 9:39:48 AM

Subject: FW: 2%



May 26, 2017

Mr. Bill Rich
County Manager
Hyde County
P.O. Box 188
Swan Quarter NC, 27885

Dear Bill:

I wanted to follow up in writing from last week's conversation when we discussed the Hyde County occupancy tax and potential options for enhancing its future effectiveness as an economic development and quality of life asset.

I have been tracking North Carolina occupancy taxes for many years and have published an annual report since 2013 which profiles the uses and rates of occupancy taxes at the county and municipal level. The report is provided via complementary download on our firm's website and that of the North Carolina Restaurant and Lodging Association. Hyde County currently has one of the most unusual occupancy tax arrangements in the state, as none of the tax that is collected is legislatively mandated for either the promotion of the county as a tourism destination or for specific tourism-related uses. The original 1991 legislation specifies that the county may use the proceeds from the tax "for any public purpose." This is exceptionally broad language compared to most of the other 161 counties and cities that collect an occupancy tax, particularly since the North Carolina House of Representatives first adopted legislative guidelines concerning the use of the taxes in 1997. There are only 10 counties in the state that allow funding for *any* non-tourism-related expenses, and only seven that allow the use of the occupancy tax *entirely* for non-tourism-related expenditures.

Hyde County and Ocracoke Island are at a competitive disadvantage without having a dedicated source of destination promotion funding. Some nearby coastal destinations and their current tourism marketing budgets include the following:

Outer Banks/Dare County	\$2.9 million
Crystal Coast/Carteret County	\$2.5 million
Currituck County	\$2.4 million
Wilmington/New Hanover County	\$1.4 million

All of these counties have dedicated at least a portion of their occupancy tax entirely to tourism promotion. Other portions of their tax are dedicated to tourism-related expenditures, including beach renourishment, convention centers, or to fund services needed due to the impact of tourism, such as fire and sanitation.

The 2006 legislation authorizing the Hyde County Board of Commissioners to create an Ocracoke Township Tourism Development Authority and add an additional 2% occupancy tax in Ocracoke Island is within the 1997 legislative guidelines, because it states that the "Authority shall use at least two thirds of the proceeds distributed to it to promote travel and tourism in the district and shall use the remainder for tourism related expenditures in the district." This additional 2% tax would not only make Ocracoke more competitive with other destinations (particularly if used to help drive shoulder season visitation), but would also help fund quality of life enhancements that benefit residents and visitors alike.

A majority of cities and counties that collect an occupancy tax in North Carolina levy more than a 3% room tax upon their visitors. As average daily room rates have increased substantially in hotels in recent years, many cities and counties have reaped the benefits of increased reinvestment of their occupancy taxes in tourism promotion and other tourism-related uses. Occupancy tax rates in nearby coastal destinations include the following:

Carteret County	6%
Currituck County	6%
Dare County	6%
New Hanover County	6%
Onslow County	6%
Brunswick County	6% (in most of the county)

Put simply, Hyde County and Ocracoke are leaving "money on the table" by not having an occupancy tax rate that is similar to that of competitive destinations, money that could boost Ocracoke's promotion of the island and fund tourism-related services.

The proposed 2% occupancy tax also represents an opportunity for the island's hospitality sector to have greater control of the funds it collects. Per the 2006 legislation authorizing the tax and the TDA, "At least one third of the members must be individuals affiliated with businesses that collect the tax in the district, and at least one half of the members must be individuals currently active in the promotion of travel and tourism in the district." There is a very uncertain environment in Raleigh right now as to the future control of occupancy taxes and how they can be spent. Bills have been introduced or discussed that would allow cities and counties to change the allocation of occupancy taxes to fund everything from streets and sidewalks to traditional economic development.

Given that many North Carolina cities and counties are seeking new revenue sources because they are unwilling to increase property taxes, I believe now is a ideal time to secure this funding stream for the good of Ocracoke's future tourism success. I strongly recommend that the county and its tourism stakeholders support the additional 2% tax for the good of both the businesses and residents of Ocracoke Island.

All the best,

Chris Cavanaugh
President

Subject: FW: Occupancy Tax Increase

From: "Bill Rich" <brich@hydecountync.gov>

Sent: 5/31/2017 11:13:19 AM

To: Rjohnson@hydecountync.gov; "'Lois Stotesberry'" <lstotesberry@hydecountync.gov>;
"Kris Noble" <knoble@hydecountync.gov>;

Please include total exchange (both letters).

From: Bob Oakes [mailto:boboakes@villagerealtyobx.com]

Sent: Tuesday, May 30, 2017 8:23 AM

To: Bill Rich

Cc: Kris Noble; Barry Swindell; Ben Simmons; 'Dick Tunnell'; Earl Pugh; Fred Holscher; Rjohnson@hydecountync.gov; Teresa Adams; Tom Pahl

Subject: Re: Occupancy Tax Increase

Dear Bill,

Thanks for your note. Your conversation with Jack included the point that we hadn't communicated with the property owners we represent to get their opinions. My email was intended to let our property owners know my opinion on the longer term consequences of a targeted tax increase on one segment of the business community, and to ask for their point of view.

I appreciate your business as a property owner, and understand the desire to increase the income from rentals in the shoulder season. I can share the information below as a significant improvement from last year, and I expect that trend to continue.

Courtyard Villas 1/1/17-5/31/17, compared to 2016 Grand Totals:	Current	\$80,490
	Previous	\$58,857
	Change	\$21,634
	Growth	36.8%

Ocracoke Island Realty 1/1/17-5/31/17

Grand Totals:	Current	\$913,716
	Previous	\$742,550
	Change	\$171,166
	Growth	23.1%

But I respectfully disagree that a Tourism Bureau and an increase in the tax on one segment of the community is the correct action. The marketing world is moving fast, and moving away from "shotgun", mass media, to personalized digital marketing. Consumers want to book where they look. The private sector ends up competing with Tourism Authority for the best search terms on Google.

The occupancy tax increase is just an easy target, and the consequences, including some that are unexpected and unintended, are out in the future. Combined with continued access issues and increased insurance costs, I am concerned about a real estate sales market that has not rebounded; an additional tax just reduces the amount of rent the owner can charge. And I think we all know that once a tax is levied, it doesn't go away.

I look forward to sharing my opinion, and the opinions of those that respond to my email. While we may disagree on this issue, I know you and your board have the best interests of Ocracoke and Hyde County at heart. I hope a different solution

that doesn't rely on one group of property owners can be found.

Warm regards,

Bob Oakes, CPM

President

Village Realty Holdings LLC

Village Realty is an Accredited Management Organization®

--

5301 South Croatan Highway

P.O. Box 1807

Nags Head, North Carolina 27959

--

800.548.9688 toll free

252.480.4705 direct dial

--

BobO@vrobx.com

www.vrobx.com



From: "brich@hydecourtync.gov" <brich@hydecourtync.gov>

Date: Monday, May 29, 2017 at 10:36 PM

To: Bob Oakes <boboakes@villagerealtyobx.com>

Cc: Kris Noble <knoble@hydecourtync.gov>, "bsswindell@yahoo.com" <bsswindell@yahoo.com>, Ben Simmons <twsbcsiii@aol.com>, 'Dick Tunnell' <adtunnell@coastalnet.com>, Earl Pugh <middletownfarms@embarqmail.com>, Fred Holscher <fnh@rhpe.net>, "Rjohnson@hydecourtync.gov" <Rjohnson@hydecourtync.gov>, Teresa Adams <tadams@hydecourtync.gov>, Tom Pahl <thpahl@earthlink.net>

Subject: RE: Occupancy Tax Increase

Bob,

I am really sorry you sent out an e-mail like this without the facts. I had this same conversation with Jack Whitehead yesterday after he too said the government was going to market the new 2%. There will be a TDA appointed to manage the 2% which will be totally independent of Hyde County. It will have \$320,000 over and above what is created now by our 3% which now is spent on any legal purpose i.e. childcare, firehouse, ballfield etc. All good causes but not heads in beds. The Ocracoke Civic and Business will be the paid tourism arm of the TDA and should be able to fill the shoulder seasons. You can say what you want about records but I can tell you as one of your clients and President of the castle association that we are once again down in our rental income and need the additional marketing of 320k from a TDA to fill this gap. In my case \$800.00 of additional renter tax (2%) will bring in \$8,000.00 additional income to me. This would increase the value of my unit by well over \$100,000.00. This does not even speak to additional employment, food and grocery sales and sales tax in general.

I would ask that you reconsider your position and send out another e-mail to your renters. I know Robert Wells,

Jeff Rumley and others would love to see this increase and spike to their bottom line.

The other big part to this is it allows the 3% to kick in \$100,000.00 to our general fund to cover EMS and other services provided in season for the tourist. The 3% Occupancy Tax Board will also have another 50 to 60 k after helping the county which could go towards community activities.

Bob, I have the utmost respect for you and OIR but this time you are way off tract.

Bill

Subject: FW: Occupancy Tax Increase

From: "Bill Rich" <brich@hydecourtync.gov>

Sent: 5/31/2017 11:14:43 AM

To: Rjohnson@hydecourtync.gov; "'Lois Stotesberry'" <lstotesberry@hydecourtync.gov>;
"Kris Noble" <knoble@hydecourtync.gov>;

Include it all

From: Bill Rich [mailto:brich@hydecourtync.gov]

Sent: Monday, May 29, 2017 10:36 PM

To: 'Ocracoke Island Realty'

Cc: Kris Noble; Barry Swindell; Ben Simmons; 'Dick Tunnell'; Earl Pugh; Fred Holscher (fnh@rhpe.net);

Rjohnson@hydecourtync.gov; Teresa Adams; Tom Pahl

Subject: RE: Occupancy Tax Increase

Bob,

I am really sorry you sent out an e-mail like this without the facts. I had this same conversation with Jack Whitehead yesterday after he too said the government was going to market the new 2%. There will be a TDA appointed to manage the 2% which will be totally independent of Hyde County. It will have \$320,000 over and above what is created now by our 3% which now is spent on any legal purpose i.e. childcare, firehouse, ballfield etc. All good causes but not heads in beds. The Ocracoke Civic and Business will be the paid tourism arm of the TDA and should be able to fill the shoulder seasons. You can say what you want about records but I can tell you as one of your clients and President of the castle association that we are once again down in our rental income and need the additional marketing of 320k from a TDA to fill this gap. In my case \$800.00 of additional renter tax (2%) will bring in \$8,000.00 additional income to me. This would increase the value of my unit by well over \$100,000.00. This does not even speak to additional employment, food and grocery sales and sales tax in general.

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Bob, I have the utmost respect for you and OIR but this time you are way off tract.

Bill

From: Ocracoke Island Realty [mailto:BobOakes@OcracokeIslandRealty.com]

Sent: Monday, May 29, 2017 12:06 PM

To: brich@hydecourtync.gov

Subject: Occupancy Tax Increase

Please share your thoughts on the proposed occupancy tax increase.

(877) 633-5953



Ocracoke
Island
Realty



Dear Ocracoke property owners,

I am proposing to send the following note to the Hyde County Commissioners. I'd like to gauge your support or opposition to the occupancy tax increase. You already pay 3%, and the proposal is an increase to 5%.

I would submit that vacation rental property owners already pay their fair share, and this tax singles out one group of property owners. I believe marketing by the government is a poor solution, because there is no real way to measure its effect. And our marketing is working well, occupancy on Ocracoke is breaking records this year.

Please let me know your thoughts. There is a public meeting Tuesday afternoon. I encourage you to make your opinions known.

Please take the following Yes/No survey so I can see support or opposition. Vote "Yes" if you support the Occupancy Tax Increase, and "No" if you don't support the increase. You may also reply to this email to reach me directly.

Thanks,

Bob Oakes, CPM
President
Village Realty Holdings, LLC

Proposed letter:

"Dear County Commissioners,

As the largest lodging provider on Ocracoke Island, Ocracoke Island Realty, on behalf of the property owners we represent, collected over \$9,000,000 in rents from over 4000 guest groups, and paid over \$266,000 in occupancy tax in 2016. Hyde County received 10% of this amount as collection cost.

In 2017, we are looking at a new record in rents collected, and occupancy tax paid. But real estate values are in a holding pattern, and costs are increasing.

A 66% increase in the occupancy tax, while an easy source of revenue in 2017, is an additional burden on a part of your economy that already pays its share. Don't increase this tax burden, and justify it with the promise that a government marketing program will increase rental income. Please don't tax us to provide marketing – the private sector does a better job of marketing, and it can be measured and a return on the marketing investment can be calculated. It's not a job for government.

The increase in the occupancy tax ultimately makes Ocracoke less attractive as an investment, and presents the potential unintended consequence of a further weakening of real estate values on Ocracoke.

Don't tighten your hands around the throat of your golden goose. Find a way that spreads that tax burden among more than just one class of property owners."

[Vote Yes/No if you Support the Tax Increase »](#)

Contact Us

Ocracoke Island Realty
1075 Irvin Garrish Hwy
Ocracoke, NC United States 27960
Phone: [\(877\) 633-5953](tel:(877)633-5953)

Want to be Removed?

No problem, [click here](#)
and we won't bug you again.



[Email Marketing Solutions by](#)

Subject: FW:

From: "Bill Rich" <brich@hydecourtync.gov>

Sent: 5/31/2017 11:17:02 AM

To: Rjohnson@hydecourtync.gov; "'Lois Stotesberry'" <lstotesberry@hydecourtync.gov>;
"Kris Noble" <knoble@hydecourtync.gov>;

Include

From: Bill Rich [mailto:billrich3@mindspring.com]

Sent: Friday, May 26, 2017 1:36 PM

To: brich@hydecourtync.gov

Subject: FW:

From: al scarborough [mailto:scarboroughal@hotmail.com]

Sent: Wednesday, May 24, 2017 4:07 PM

To: Dick Tunnell <stunnell@coastalnet.com>; Benjamin Simmons <twbscsiii@aol.com>; Earl Pugh <middletownfarms@embargmail.com>; Tom Pahl <thpahl@earthlink.net>; Barry Swindell <bsswindell@yahoo.com>; Bill Rich <brich@hydecourtync.gov>

Subject:

Please support a vote to increase the occupancy tax. A vote against increasing the occupancy tax is a vote to increase the taxes on all property owners in the county to pay for EMS service and trash on Ocracoke. The occupancy tax is not paid by anyone in Hyde County. Hotels and rental cottages do not pay this tax ,they collect it. Providing 24 hour EMS is essential to our tourist industry. There is ample evidence that occupancy taxes have no effect on tourism.



Virus-free. www.avast.com

Subject: FW: 2% Occupancy tax

From: "Bill Rich" <brich@hydecourtnc.gov>

Sent: 5/31/2017 11:19:49 AM

To: Rjohnson@hydecourtnc.gov; "'Lois Stotesberry'" <lstotesberry@hydecourtnc.gov>;
"Kris Noble" <knoble@hydecourtnc.gov>;

Include

-----Original Message-----

From: Jeff Rumley [mailto:jlrumley@gmail.com]

Sent: Thursday, May 25, 2017 6:25 PM

To: Brich@hydecourtnc.gov

Cc: Jeff Rumley

Subject: 2% Occupancy tax

May 25, 2017

Jeff Rumley
Member manager Vill Too LLC
The Castle at Ocracoke
Ocracoke, NC

To Whom it May Concern:

I would like to express my support for increasing the occupancy tax by 2% for Ocracoke Island, NC. As a rental property owner I feel it is in the best interest of all property owners to provide the best services possible for our guest and residents. As a health care provider, I understand the need for the best possible health and emergency care possible on Ocracoke. Without the adequate funds for our first responders the possibility for a terrible tragedy is just a matter of time.

I feel this 2% increase is a fair and small price to pay for the comfort of knowing that our First Responders have the equipment and training they need. It is my utmost desire for your committee to consider responding positively to this request. Thank you for your consideration.

Jeff Rumley

Subject: FW: 2 % occupancy tax increase

From: "Bill Rich" <brich@hydecourtync.gov>

Sent: 5/31/2017 11:56:27 AM

To: Rjohnson@hydecourtync.gov; "'Lois Stotesberry'" <lstotesberry@hydecourtync.gov>;
"Kris Noble" <knoble@hydecourtync.gov>;

From: al scarborough [mailto:scarboroughal@hotmail.com]

Sent: Tuesday, May 16, 2017 9:18 PM

To: Bill Rich; Tom Pahl; Dick Tunnell; Earl Pugh; Benjamin Simmons; Barry Swindell

Subject: 2 % occupancy tax increase

Yes, the occupancy tax should be increased to help pay for the services that Ocracoke needs to have to host all of the people who visit here. We need to provide 24 hour medical care, PUBLIC RESTROOMS and more officers for the Sherriff's Department in the summer.

Those opposing this tax as unfair should direct their time and energy to the NC State Legislature. Local bills authorizing meals and beverage and land transfer taxes will not pass because of the strong restaurant and real estate lobbies. This is completely unfair as some counties and cities put these taxes in place apparently before the lobbyists noticed. Dare County has all 3 of these taxes. (Look at your bill the next time you eat there.) Every county in NC should have the same opportunity.

Thanks for your work.

Sincerely,

Linda Scarborough

PS

A fire tax is definitely the most equitable way to fund the OVFD.

Subject: FW: VRBO and Air B&B

From: "Bill Rich" <brich@hydecourtnc.gov>

Sent: 5/31/2017 11:53:08 AM

To: Rjohnson@hydecourtnc.gov; "Lois Stotesberry" <lstotesberry@hydecourtnc.gov>;
"Kris Noble" <knoble@hydecourtnc.gov>;

From: Wayne Clark [mailto:hwclark@edwardsofocracoke.com]

Sent: Saturday, May 20, 2017 9:52 AM

To: brich@hydecourtnc.gov

Cc: Tom Pahl; Ben Simmons; Earl Pugh; adtunnell@coastalnet.com; Barry Swindell

Subject: VRBO and Air B&B

5/20/17

Bill

Please do what is necessary to make sure that VRBO and Air B&B Rental Cottages are collecting and reporting Occupancy Tax to the County? Based on my readings in larger markets, this is a real issue? Given the growing number of cottages being advertised in this manner, this source of income (existing 3% tax) needs to be verified. I know of at least one private cottage advertised through VRBO that is not collecting the tax.

Please advise as to what the situation is? Again, in my view the County needs to investigate and consider other sources of revenue than the additional 2% Occupancy Tax prior to decisioning the issue?

H. Wayne Clark

Subject: FW: Other Sources of Revenue

From: "Bill Rich" <brich@hydecourtnc.gov>

Sent: 5/31/2017 11:55:13 AM

To: Rjohnson@hydecourtnc.gov; "'Lois Stotesberry'" <lstotesberry@hydecourtnc.gov>;
"Kris Noble" <knoble@hydecourtnc.gov>;

From: Wayne Clark [mailto:hwclark@edwardsfocracoke.com]

Sent: Friday, May 19, 2017 11:00 AM

To: Barry Swindell; Ben Simmons; Dick Tunnell; Earl Pugh; Tom Pahl; brich@hydecourtnc.gov

Cc: Anchorage Inn; Blackbeard's Lodge; Blacksbeard's Lodge; Blue Heron; Captains Landing; Captains Landing; Crews Inn; Edwards of Ocracoke; Harborside; Ocracoke Harbor Inn; Ocracoke Island Realty; Ocracoke Island Realty; Ocracoke Island Realty; Ocracoke Island Realty; Oscars House; Pams Pelican B&B; Pony Island Motel; Sanddollar Motel; Silver Lake Motel; The Castle; The Cove B&B; Thurston House Inn; Ashley Harrell; Blackbeard's Lodge; 'Connie Leinbach'; 'Justin Lablanc'; Martha Garrish; 'Rudy Austin'; 'wayne clark'; 'Helena Stevens'

Subject: Other Sources of Revenue

5/19/17

Tom/Earl/Bill

From Tom's comments per the Observer Article, it appears he is asking/seeking support to implement the additional 2 % tax? For those not in business, as I have said repeatedly; it's a "no brainer", let "OP Pay" (Other People). Well if that is the majority's sentiment, use some other vehicle to get the tax from the OP; not Occupancy Tax/Lodging. Lodging is already carrying a huge share of the County's funding (sales, occupancy, and property taxes). Use the Balance in the Cash Fund to get you to a point whereas you can implement some other source other than Lodging. **When making comparisons to other Counties, look at the sources they get taxes from? Don't only compare Occupancy Tax Rates.** There are many sources of revenue that remain untouched by Hyde. At least consider them before making a decision. As Ann Ehringhaus indicated, it is a matter of "equity".

H. Wayne Clark

Subject: FW: Additional 2% Occupancy Tax

From: "Bill Rich" <brich@hydecourtync.gov>

Sent: 5/31/2017 11:57:11 AM

To: Rjohnson@hydecourtync.gov; "'Lois Stotesberry'" <lstotesberry@hydecourtync.gov>;
"Kris Noble" <knoble@hydecourtync.gov>;

From: Wayne Clark [mailto:hubertwayneclark@gmail.com]

Sent: Sunday, May 14, 2017 7:05 PM

To: 'Barry Swindell'; 'Dick Tunnell'; 'Earl Pugh'; brich@hydecourtync.gov; Ashley Harrell; Blackbeard's Lodge; 'Connie Leinbach'; 'Justin Lablanc'; Martha Garrish; 'Rudy Austin'; 'wayne clark'; Anchorage Inn; Blackbeard's Lodge; Blackbeard's Lodge; Blue Heron; Captains Landing; Captains Landing; Crews Inn; Edwards of Ocracoke; Harborside; Ocracoke Harbor Inn; Ocracoke Island Realty; Ocracoke Island Realty; Ocracoke Island Realty; Ocracoke Island Realty; Oscars House; Pams Pelican B&B; Pony Island Motel; Sanddollar Motel; Silver Lake Motel; The Castle; The Cove B&B; Thurston House Inn; 'Tom Pahl'; Kris Noble; 'Bob Chestnut'; ethecurl@gmail.com; david-styron@embarqmail.com; tootoo4u@embarqmail.com; stephoneal65@yahoo.com

Subject: Additional 2% Occupancy Tax

5/14/17

To: Hyde County Commissioners, Hyde County Manager, Ocracoke Occupancy Tax Board, Ocracoke Lodging Owners and Property Management Companies

The purpose of this correspondence is to comment on the County Manager's proposal as to implementing the 2% Occupancy Tax.

Other Sources of Revenue

As to Occupancy Tax, in my view what makes it different from other "public sources of revenue" (special use sales tax, general sales tax, property tax, meals tax, land transfer tax etc.) **is the basis from which it comes about; this being the "capital/facility contribution" of citizens/businesses that have Lodging/Rental Establishments/Cottages.** The Owners of the Lodging Facilities provide the funds that enable the generation of the tax by way of owning and operating the facilities. They get no payment for collecting and administering the tax on **their** customers. **It is a "special tax" for one segment of the economy's customers** as opposed to sales tax which taxes all who purchase goods and some services. I note that Lodging Owners charge their customers sales tax in addition to Occupancy Tax. In addition Lodging's part of the "County's source of revenue" that is generated from Property Tax and Sales Tax is huge; again in addition to Occupancy Tax.

As to the "line of thinking" that our Occupancy Tax can be/should be raised due to other Counties Occupancy Tax being higher, that is not adequate justification in my view. Other Counties (Dare etc.) have other sources of taxes/revenues that we do not have (land transfer, meals, special use sales tax, fire district tax, Garbage Pick Up etc.). **There are many other sources of revenue that Hyde has not tapped.** In my view Rentals by way of Web Sites such as VRBO and Air B&B should be consider as to taxation prior to implementing additional taxes on the

existing Occupancy Tax sources. It is not fair to tax one segment of the economy more while other revenue streams go untapped. To do it simply because Occupancy Tax Legislation is in place is not a good reason.

Additional Use of Proposed 2% Tax

Given my line of thinking (granted it is biased in that my family runs and owns a lodging facility), the justification for spending Occupancy Tax funds to support the Industry (Tourism) that allows the tax to be created is entirely in order. In addition for our local Island Economy, Tourism is the main stay; therefore when you promote Tourism; our entire population benefits.

The fact that the original Occupancy Tax Legislation (3% tax) allows for "any public good to be supported" has created a situation whereby "public services other than Tourism" (Fire Department, EMTs, Health Clinic, Rec field, etc.) have been funded by Occupancy Tax. My view is that while the majority of the use of the funds may have had merit and the use of Occupancy Tax certainly may have kept Property Tax and other funding sources artificially lower than they otherwise would have been, it has taken away from a basic source of revenue to promote our Tourist Based Economy. I note that most all other "competing tourist based economies" use Occupancy Tax to promote Tourism not to underwrite basic governmental services. In addition, the Original Legislation (3% Tax) has created a situation whereby the "use of the tax" has allowed for expenditures/benefits without our Population having a "vested interest". The thinking has been 'other people pay (Tourist)', so why not use Occupancy Tax. **It costs us nothing.**

We have for several reasons (ferry issues, restricted beach use, fee for driving on the beach etc.) seen our Tourist Economy remain stagnant at best while surrounding counties have flourished (note NPS Visitation Numbers). While Advertising/Marketing may not be the "panacea" relative to improving our plight as to Day Trippers/Ferry issues; a well-funded and thought out market plan is needed to compete and shore up other contributors to our Tourist Economy. A quality Marketing Program is a must, funded by way of Occupancy Tax. This is how it is done throughout the state and nation. **I do not think Ocracoke is so special at this point in time that a properly funded marketing program is not needed?**

Given our historical dependence on Occupancy Tax (3%) to support "basic public services", I recognize it would be difficult to ween off the "opium of Occupancy Tax" (Other People Pay). I do however think that some policy needs to be put in place as to using the current tax (3%) as a dependable source for promoting Tourism; say 1% of the original 3% to be used for Tourism. In addition, if and when the additional 2% is implemented; the entire amount should be dedicated to support Tourism type advertising. My view of the Legislation that enables the additional 2% allows for this type use (promote Tourism) in its entirety. Surely compared to other Counties, a total of 3/5s (60%) of the tax if and when implemented should be used to promote Tourism given how it is generated, as well as how competing tourist economies fund there marketing efforts. **To do less than this amount puts our entire economy on Ocracoke "at risk". The County Commissioners can make policy to promote our Tourist Economy under the current two pieces of Legislation. They should do so!**

In summary, there are many other sources of revenue that can be tapped to fund the "basic service needs" of the County other than Occupancy Tax. They should be explored

and used if funding is needed for public services such as Waste Disposal and Emergency Care. To use Occupancy Tax to fund basic services is not only wrong but it puts us in a position of not being able to fund a quality program to promote Tourism.

Please give the thoughts as sited consideration as to making this important decision for our Island's Economy?

H Wayne Clark

Subject: FW: Additional 2% Occupancy Tax

From: "Bill Rich" <brich@hydecourtnc.gov>

Sent: 5/31/2017 11:59:29 AM

To: Rjohnson@hydecourtnc.gov; "Lois Stotesberry" <lstotesberry@hydecourtnc.gov>; "Kris Noble" <knoble@hydecourtnc.gov>;

From: Ann Ehringhaus [mailto:aeocracoke@gmail.com]

Sent: Sunday, May 14, 2017 1:19 PM

To: Fred Westervelt

Cc: Wayne Clark; Bill Rich; Ashley Harrell; Blackbeard's Lodge; Connie Leinbach; Justin Lablanc; Rudy Austin; wayne clark; Anchorage Inn; Blackbeard's Lodge; Blue Heron; Captains Landing; Captains Landing; Crews Inn; Edwards of Ocracoke; Harborside; Ocracoke Harbor Inn; Ocracoke Island Realty; Ocracoke Island Realty; Ocracoke Island Realty; Ocracoke Island Realty; Pams Pelican B&B; Pony Island Motel; Sanddollar Motel; Silver Lake Motel; The Castle; Thurston House Inn; Tom Pahl; Kris Noble; Bob Chestnut; ethecurl@gmail.com; David Styron; Trudy Austin; stephoneal65@yahoo.com; The Cove B&B

Subject: Re: Additional 2% Occupancy Tax

yes, thanks Wayne and others, for input on this issue.. i have been imagining if someone had proposed a tax on any other single sector of business.. there would be the necessity of speaking with that sector with appropriate time for processing the response of that sector, before taking the issue to the Board of Commissioners.

We have seen some similar action on our flounder crop.. trying to penalize that one part of the fishing industry.. so we know what it looks like.

I agree that it looks too easy to add more occupancy tax.. let's look a little deeper as a business community and be more FAIR to the entire island economy..

thanks, ann

On Sun, May 14, 2017 at 12:51 PM, Fred Westervelt <fwestervelt31@gmail.com> wrote:
Wayne,

Once again, many thanks for your pursuit of logic in regard to the OT issue, which you cleverly term "the opium of Occupancy Tax". By stretching literacy just a bit I could try to insert such concepts as "the goose and the golden egg", the oft abused "low hanging fruit" and "Occam's razor" to little effect. Contrarily, there even are some who favor the idea of "the rich paying their fair share."

Briefly, I agree that OT has been overworked, and that we all should look more broadly for adequate and proper funding for the numerous community needs.

Let's give Lodging a pass on this one.

Fred

On Sun, May 14, 2017 at 9:46 AM, Wayne Clark <hwclark@edwardsofocracoke.com> wrote:

5/14/17

To: Hyde County Commissioners, Hyde County Manager, Ocracoke Occupancy Tax Board, Ocracoke Lodging Owners and Property Management Companies

The purpose of this correspondence is to comment on the County Manager's proposal as to implementing the 2% Occupancy Tax.

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As to Occupancy Tax, in my view what makes it different from other "public sources of revenue" (special use sales tax, general sales tax, property tax, meals tax, land transfer tax etc.) **is the basis from which it comes about; this being the "capital/facility contribution" of citizens/businesses that have Lodging/Rental Establishments/Cottages.** The Owners of the Lodging Facilities provide the funds that enable the generation of the tax by way of owning and operating the facilities. They get no payment for collecting and administering the tax on their customers. **It is a "special tax" for one segment of the economy's customers** as opposed to sales tax which taxes all who purchase goods and some services. I note that Lodging Owners charge their customers sales tax in addition to Occupancy Tax. In addition Lodging's part of the "County's source of revenue" that is generated from Property Tax and Sales Tax is huge; again in addition to Occupancy Tax.

As to the "line of thinking" that our Occupancy Tax can be/should be raised due to other Counties Occupancy Tax being higher, that is not adequate justification in my view. Other Counties (Dare etc.) have other sources of taxes/revenues that we do not have (land transfer, meals, special use sales tax, fire district tax, Garbage Pick Up etc.). **There are many other sources of revenue that Hyde has not tapped.** In my view Rentals by way of Web Sites such as VRBO and Air B&B should be consider as to taxation prior to implementing additional taxes on the existing Occupancy Tax sources. **It is not fair to tax one segment of the economy more while other revenue streams go untapped.** To do it simply because Occupancy Tax Legislation is in place is not a good reason.

Additional Use of Proposed 2% Tax

Given my line of thinking (granted it is biased **in that my family runs and owns a lodging facility**), the justification for spending Occupancy Tax funds to support the Industry (Tourism) that allows the tax to be created is entirely in order. In addition for our local Island Economy, Tourism is the main stay; therefore when you promote Tourism; our entire population benefits.

The fact that the original Occupancy Tax Legislation (3% tax) allows for "any public good to be supported" has created a situation whereby "public services other than Tourism" (Fire Department, EMTs, Health Clinic, Rec field, etc.) have been funded by Occupancy Tax. My view is that while **the majority of the use of the funds may have had merit and the use of Occupancy Tax certainly may have kept** Property Tax and other funding sources artificially lower than they otherwise would have been, **it has taken away from a basic source of revenue to**

promote our Tourist Based Economy. I note that most all other “competing tourist based economies” use Occupancy Tax to promote Tourism not to underwrite basic governmental services. In addition, **the Original Legislation (3% Tax)** has created a situation whereby the “use of the tax” has allowed for expenditures/benefits without our Population having a “vested interest”. **The thinking has been ‘other people pay (Tourist)’**, so why not use Occupancy Tax. **It costs us nothing**.

We have for several reasons (ferry issues, restricted beach use, fee for driving on the beach etc.) seen our Tourist Economy remain stagnant at best while surrounding counties have flourished (note NPS Visitation Numbers). **While Advertising/Marketing** may not be the “panacea” relative to improving our plight **as to Day Trippers/Ferry issues; a well-funded and thought out market plan is needed to compete and shore up other contributors to our Tourist Economy. A quality Marketing Program is a must, funded by way of Occupancy Tax.** This is how it is done throughout the state and nation. **I do not think Ocracoke is so special at this point in time that a properly funded marketing program is not needed?**

Given our historical dependence on Occupancy Tax (3%) to support “basic public services”, I recognize it would be difficult to ween off the “opium of Occupancy Tax” (Other People Pay). I do however think that some policy needs to be put in place as to using the current tax (3%) as a **dependable source** for promoting Tourism; say 1% of the original 3% to be used for Tourism. In addition, if and when the additional 2% is implemented; the entire amount should be dedicated to support Tourism type advertising. My view of the Legislation that enables the additional 2% allows for this type use (promote Tourism) in its entirety. Surely compared to other Counties, a total of 3/5s (60%) of the tax if and when implemented should be used to promote Tourism given how it is generated, as well as how competing tourist economies fund there marketing efforts. **To do less than this amount puts our entire economy on Ocracoke “at risk”. The County Commissioners can make policy to promote our Tourist Economy under the current two pieces of Legislation. They should do so!**

In summary, there are many other sources of revenue that can be tapped to fund the “basic service needs” of the County other than Occupancy Tax. They should be explored and used if funding is needed for public services such as Waste Disposal and Emergency Care. To use Occupancy Tax to fund basic services is not only wrong but it puts us in a position of not being able to fund a quality program to promote Tourism.

Please give the thoughts as cited consideration as to making this important decision for our Island’s Economy?

H Wayne Clark

Subject: FW: civic stuff

From: "Bill Rich" <brich@hydecourtnc.gov>

Sent: 5/31/2017 11:54:32 AM

To: Rjohnson@hydecourtnc.gov; "'Lois Stotesberry'" <lstotesberry@hydecourtnc.gov>;
"Kris Noble" <knoble@hydecourtnc.gov>;

From: Marcy Brenner [<mailto:marcybrenner@gmail.com>]

Sent: Friday, May 19, 2017 11:05 PM

To: Bill Rich

Cc: Kris Noble; Tom Pahl; Earl Pugh

Subject: Re: civic stuff

I have no problem increasing occupancy tax and I will be directly affected as a rental property owner. My guests will have no problem with an increase, especially if it makes their experience here better.

Marcy Brenner

Sent from my iPhone - Please forgive any text errors!

To:

The Ocracoke Community, the Hyde County Commissioners and County Manager

May, 2017

Comments Regarding Occupancy and Other Taxes and How Revised Financial Planning Can make Ocracoke a Better Community for All of Us

Our community is currently being faced with an increase in the Occupancy tax rate of 2% for 2018. On the surface, this may not seem like a big deal- but it is- a two-thirds increase! Added to that, the proponents present arguments that seem innocuous such as:

We don't pay the tax, we just collect it.

Other places collect a higher rate.

The state passed the authorization, we just have to take advantage of it.

We need the money for our planned needs.

No one will notice the difference.

It will help the tourist season, not hurt it.

And, last, "It will only be used for advertising, not general needs" which is basically asking you not to think at all and falls into the category that first came up many years ago when the Government told the public that Social Security numbers would only be used for the Social Security program.

So, I have just stated most of the reasons [until they come up with more] why state, county and other individuals within the community think that an increase in taxes, fostered solely on the Lodging business within your community is "no problem". But let's consider the other side of the argument:

To begin, the Lodging community is already working under a handicap since they are required to collect the same sales tax as all other businesses in Ocracoke but then must collect an additional three percent tax from their customers that other businesses do not. Additionally, these "long term" visitors to Ocracoke also voluntarily contribute extra money

to many of the projects that we spend Occupancy Tax dollars on such as the Health Center, Fire Department, Ballpark, Childcare, the Ocracoke Festival and other projects. If we increase those taxes, will they possibly realize that their additional contributions are not warranted? We all need to remember that families that secure lodging on Ocracoke for their vacation usually have a budget for their stay. If they pay more for lodging they may have two choices:

Spend less in other places while here.

Find another vacation destination.

Do not think that small increases go un-noticed or are not important to those that choose to lodge here. If just a few decide on one of the two choices stated above, it may mean that we will actually suffer a net loss of income to the very causes we consider important to the community including income to all other businesses!

We all realize that the money derived from Occupancy Taxes are used, for the most part, to enhance the community. But is it fair or logical to argue that we need even more funds and that those funds can only come from one segment of the business community? Should we not first consider if we have a real need for additional money for legitimate purposes and that we are spending the monies collected in a wise manner? It is called "fiduciary responsibility" and everyone involved in this process from those that give, those that collect, those that ask for and those that spend must consider two questions:

Is the expenditure in the best interests of the entire community?

Does the expenditure give lasting value to the community?

Is it possible to delay or suspend actions that continually add more taxes on a particular segment of the business community while we develop a logical and long range plan about where we are, where we want to go and how to finance our projects? I believe we have not yet done that; but it can happen with vastly improved results for all of us that live and work in Ocracoke. The plan could be developed by:

- Deferring any tax increases for the community.
- Being more inclusive by having a revised structure of additional access to the County Manager and the Board of Commissioners thru the Civic and Business Association

and by elevating the Ocracoke and Civic Business Association status so as act as the conduit for ideas by the people of Ocracoke to Hyde County Government in order to:

1. Implement long-range planning and submission of ideas to the County fostered by regular OCB&A business meetings, E mail and other electronic sources of communication with more input from the community on a regular basis.
2. A complete review of the Occupancy Tax charter by OCB&A as to how it is managed and maintained so as to develop new guidelines that would make its' use more flexible and efficient.
3. A complete review of how all businesses advertise, including their costs and results, so as to complement their efforts.
4. Discuss and develop other sources of income.
5. Review local issues such as infrastructure within the village.
6. Construct a real plan to extend the tourist season.
7. Discover the solution to the problem of making it easier to get here.

In summary, we are not discussing changes that effect how Hyde County is run, but how Ocracoke and what we, the people of Ocracoke, should decide regarding improvements to Ocracoke in a fair and reasonable manner. This will then lead to improving the quality of life for Ocracoke residents and visitors by using far reaching plans and new, long-term thinking.

Let us choose logic, inclusiveness and a fair way forward!

Sincerely,

George Chamberlin

Ocracoke Resident and Business Owner

From: Sundae Horn <sundaehorn@embarqmail.com>

Subject: OT increase

Date: May 22, 2017 at 3:24:36 AM EDT

To: Bill Rich <brich@hydecountync.gov>, Tom Pahl <thpahl@earthlink.net>, Earl Pugh <middletownfarms@embarqmail.com>

Hey y'all,

I've been thinking more about the opposition to the OT increase, and I have a few thoughts about that.

First: the meeting on the 30th might not bring as many non-lodging people out as we may hope. It's much easier for lodging owners/managers to leave work for meetings. Restaurant owners have a much harder time attending meetings, as do recreational businesses that needs the owner-operator there. I've also talked to some supporters of the increase who feel that they shouldn't speak up because it doesn't directly affect them. It's a really small

group that is outspoken against the increase, but those that support it have been told it's not their place to comment.

Second, and more importantly, the work to pass the OT legislation for Ocracoke was done in 2005-2006. The Berkley Sterring Committee and others helped to get the 2% increase passed by the NC legislature. According to the BOC minutes from March 21, 2005, the BOC approved a resolution in support of the increase.

1. **Resolution Supporting a 2% Occupancy Tax Increase Amendment** – Upon motion made by W. Mack Carawan, Jr., seconded by Jane Hodges with all Board members voting in favor, BE IT RESOLVED THAT the Board approved the amendments to the Resolution Supporting a 2% Occupancy Tax Increase.
FOR COMPLETE RESOLUTION – SEE MINUTE DOCKET FOLDER – COUNTY MANAGER'S OFFICE.

It had the BOC's support in 2005, then it wasn't passed. But I think the the time for people to protest the increase was in 2005. Once the state legislature passed the law, the argument shoud've been over.

The commissioners could vote 3-2 and get the increase started anytime. I don't think the meetings (I know I asked for one and I do think we need to hear more voices) are even necessary, if all they do is bring out the small, already-vocal, lodging group and give them more of a voice.

Please pass the OT increase for the good of Ocracoke as a whole.

Sundae

Sundae Horn
PO Box 544
Ocracoke, NC 27960
(252) 921-0283
sundaehorn@embarqmail.com

----- Original message -----

From: gregory honeycutt <gah0708@hotmail.com>

Date: 5/29/2017 7:55 AM (GMT-05:00)

To: David and Melinda Esham <davandme@embarqmail.com>, bill gilbert <info@theanchorageinn.com>, jack whitehead <jackwhitehead@ocracokeislandrealty.com>, jennifer esham <jennifer@blueheronvacations.com>

Subject: 2% OCCUPANCY TAX INCREASE

David Scott, Bill and Leslie, Jack , Jennifer, I'm going to speak in favor of 2% Occupancy tax increase . I know lodging feels like they are getting picked on which I understand but it's the only taxing mechanism in place plus does not have an impact on year around residents. Every coastal resort town around us south and north charge more than what's proposed(5% total). Resort Communities outside of NC, many charge even more than the NC 6%. All the Mountain resort Communities charge 6%. 2.00 on a hundred, 20.00 on a thousand will not keep people from coming to Ocracoke. We all vacation in places that charge much more in many instances. Plus the economy is good right now and thus the best time for the proposal.

The ability to promote shoulder season events such as our April Run, events that could be promoted at the Park, even greater promotion of the Pirate Jamoree ,Creating potentially 2 or 3 other events with concentrations in March , April, Oct and even Nov will add to motel occupancy and overall improved business for Ocracoke. Just overall promotion of Ocracoke Shoulder season travel will make a difference in Cottage and motel occupancy.

The dump is an embarrassment as the gateway to Ocracoke. There could be a lot of asthetic improvements made plus other tourist related infrastructure improvements in the Village.

I've seen all the shoulder season events that Dare and Currituck County do as well as many tourist related improvements because of their 6% Occupancy tax and what a difference it has made especially for motel and cottage off season occupancy.

I will make it clear that I only support this increase if all the Ocracoke money other than the small administration stays in Ocracoke, the additional committee created are all Ocracoke people and that any Visitor related Director is based in Ocracoke. I would like to see unless mandated that lodging make up half the committee rather than one third.

I also am not in favor for example if current budget expenditures for the dump, emt or any other Ocracoke Hyde County expenses are decreased and replaced by added Occupancy money raised. Also future County related Ocracoke expenses with inflation factored in. THAT I WILL MAKE VERY CLEAR and the County needs to spell that out.

THIS ADDITIONAL MONEY IS FOR IMPROVEMENTS AND TOURIST ENHANCEMENT ON OCRACOKE with focus mainly on the shoulder seasons. There will be certain enhancements in the Summer season the additional funds could help with. Plus there are soft weeks such as the last week in August.

Just wanted to give you my rationale. GH

Subject: FW: Additional 2% Final Comments

From: "Bill Rich" <brich@hydecourtynyc.gov>

Sent: 6/1/2017 11:01:31 AM

To: Rjohnson@hydecourtynyc.gov; "'Lois Stotesberry'" <lstotesberry@hydecourtynyc.gov>; "Kris Noble" <knoble@hydecourtynyc.gov>;

Please include if still time.

From: George Chamberlin [mailto:george@thecaptainslanding.com]

Sent: Thursday, June 01, 2017 7:56 AM

To: 'Wayne Clark'; brich@hydecourtynyc.gov; 'Barry Swindell'; 'Ben Simmons'; 'Dick Tunnell'; 'Earl Pugh'; 'Tom Pahl'; 'Anchorage Inn'; 'Blackbeard's Lodge'; 'Blacksbeard's Lodge'; 'Blue Heron'; 'Captains Landing'; 'Crews Inn'; 'Edwards of Ocracoke'; 'Harborside'; 'Ocracoke Harbor Inn'; 'Ocracoke Island Realty'; 'Ocracoke Island Realty'; 'Ocracoke Island Realty'; 'Ocracoke Island Realty'; 'Oscars House'; 'Pams Pelican B&B'; 'Pony Island Motel'; 'Sanddollar Motel'; 'Silver Lake Motel'; 'The Castle'; 'The Cove B&B'; 'Thurston House Inn'; 'Cindi Gaskill'

Cc: 'Ocracoke Island Realty'; 'Helena Stevens'; 'Betty Chamberlin'; 'Ann Orr'; 'Scott Chamberlin'; 'Karrie Parker'

Subject: RE: Additional 2% Final Comments

To All,

I agree with Wayne Clark for the most part but feel he misses one important point: A 2% Occupancy Tax is meant to cover a reduction in real estate values and therefore a reduction in property taxes. Bill Rich has a budget to manage and I don't fault him for trying to do his job. My concerns, which I hope you have read in my comments to the Commissioners and delivered by Bill to the Commissioners, is that trying to raise taxes to pay for suspicious expenditures such as an unknown return on investment via a very expensive marketing program and approval of such a waste of money such as a fireworks display and also approved by our elected officials, is not responsible. My other main concern is the reluctance of County and State officials to realize the basis unfairness of having the lodging industry continually take up the burden of additional taxes while all other businesses just watch in silence.

"Other people's money"- right on, Wayne.

George Chamberlin

From: Wayne Clark [mailto:hubertwayneclark@gmail.com]

Sent: Thursday, June 01, 2017 6:54 AM

To: brich@hydecourtynyc.gov; Barry Swindell <bsswindell@yahoo.com>; Ben Simmons <twbsbciii@aol.com>; Dick Tunnell <adtunnell@coastalnet.com>; Earl Pugh <middletownfarms@embarqmail.com>; Tom Pahl <thpahl@earthlink.net>; Anchorage Inn <info@theanchorageinn.com>; Blackbeard's Lodge <chip@blackbeardslodge.com>; Blacksbeard's Lodge <hrstevens1@gmail.com>; Blue Heron <jennifer@blueheronvacations.com>; Captains Landing <betty@thecaptainslanding.com>; Captains Landing <george@thecaptainslanding.com>; Crews Inn <crewsinnbandb@gmail.com>; Edwards of Ocracoke <info@edwardsofocracoke.com>; Harborside <sue@ocracokeharborside.com>; Ocracoke Harbor Inn <Go2abaco@hotmail.com>; Ocracoke Island Realty <MarthaGarrish@ocracokeislandrealty.com>; Ocracoke Island Realty <jackwhitehead@ocracokeislandrealty.com>; Ocracoke Island Realty <boboakes@villagerealtyobx.com>; Ocracoke Island Realty <karistyron@ocracokeislandrealty.com>; Oscars House <aeocracoke@gmail.com>; Pams Pelican B&B <dale.russell@outlook.com>; Pony Island Motel <info@ponyislandmotel.com>; Sanddollar Motel <sanddollarmotelofocracoke@gmail.com>; Silver Lake Motel <o2bgtc@hotmail.com>; The Castle <innkeeper@thecastlebb.com>; The Cove B&B <fwestervelt31@gmail.com>; Thurston House Inn <stay@thurstonhouseinn.com>; 'Cindi Gaskill' <cyndigaskill@ocracokeislandrealty.com>

Cc: Ocracoke Island Realty <boboakes@villagerealtyobx.com>; 'Helena Stevens' <helenarstevens@hotmail.com>

Subject: FW: Additional 2% Final Comments

To: Hyde County Manager, Hyde County Board of Commissioners, Ocracoke Lodging Association, Ocracoke Occupancy Tax Board

Date: 5/31/17

- After now attending two sessions related to the topic of increasing the Occupancy Tax Rate and listening to some very well thought out comments, I note the following:

- Other County/Peer Tourist Market Comparisons

Much of the justification for the "Additional 2%" is based on the fact that on a "comparative basis" our Occupancy Tax Rate at 3% is 2% to 3% less than surrounding counties and peer tourist markets. **This is an unfair comparison in that the majority of our current 3% rate is used to support "basic public services"** (fire department, recreation fields, libraries, medical center, school gym, museums, community center, child care, radio station and even duck removal.) while the majority of the comparative counties support these same basic services with real estate tax/General Fund Monies, special use sales tax, land transfer tax, meals tax and on and on that **we "choose" to not use for funding.** We hang our public service needs on the Tourist and will continue to do so as long as our Leaders advocate the OP Theory (OK TO tax as long as "other people" pay).

Inflations Impact on Expenses

The fact that our "property tax rate" has not increased in five years while the inflation rate related to budget expenses has increased at least 1% to 2% per year is not a positive in my view. **It is clear evidence that either our funding is lacking from Property Tax and/or means such as "tourism/occupancy tax" has carried the burden of inflation.** Property Tax should not be exempt from inflationary increases no more than any other source of funding. This is especially the case in the it represents the majority of funding sources for the County. I note that a 1 cent increase in property tax on a 300k valued residence or beach cottage is only a \$30 per year increase. As per the County Manager this same one cent increase will generate the 100K that the County Manager states he needs to balance the budget. Given no increase in real estate taxes in five years, should not this source as well as other sources **"we choose not to use"** be considered before hanging an increase on our Tourist? **Use the Fund Balance to put the 100k in place until an informed decision can be made as to "what tax/fee source" is best and most equitable.** If the revenue increases as projected by the County Manager come about (20% annual increase) by way of a Marketing Program, the taxes will come about that are needed to fund the 100K noting that OCBA is putting this type program in place. I note that Occupancy Tax is funding the 70K as is being used to establish the base for the Program.

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Other People's Money

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It has been referenced on several occasions that anyone from Lodging would surely be against the additional 2%. I submit that anyone "other than Lodging Owners and their customers" **will always be in favor of expenditures that benefit the Public as long as "someone else pays for it" (Lodging Customers)**. OP (other people's) money spends easy and in many cases irresponsibly. To burden Tourist with additional taxes for public services that should be paid from General Fund Revenues and/or fees is wrong and has been since the initial Occupancy Tax Legislation was put in effect. Even our former County Commissioner (the originator of the "free use" Occupancy Tax) now appears to question the "free use of funds"? The Community benefits tremendously from Tourism. It supports public services by way of sales tax, property tax, jobs; and makes up 98% of the local economy. To put in place a specific tax that targets Lodging/Tourist that is used for basic public services/needs is wrong and as has been shown sets a dangerous precedent as to "the responsibility for the public use of funds".

Summary

If the Additional 2% is put in effect, "at a minimum" the additional 2% plus 1% of the original 3% needs to go directly for Tourism Promotion; not some related use (Ocracoke Foundation, OPS and the like). The County Manager projects over 800k in Occupancy Tax Funds will be available when the Additional 2% is put in place. Given the entire tax amount is enabled by our Lodging Owners and their Customers; surely a minimum of 300k (37.5%) should be used to **directly promote** Lodging/Tourism **given the Lodging Owners "cause for and collect the tax", all with no compensation!** I note that recent State Legislation per the support from the North Carolina Lodging and Restaurant Association calls for 66% (2/3s) of all Occupancy Tax to be used directly for Tourism Promotion. That percentage amount is what our competing Tourist Markets have. We need to support our Tourist Economy given it is the only economic engine on our Island. To do anything less is to put our economy in a less than needed competitive state with other peer tourist markets.

My problem with the 2% Additional Tax is basic to how Occupancy Tax in general on Ocracoke has been used. While peer markets use their tax mainly to directly promote tourism (at least 2/3s), we use ours to substitute for other tax sources simply because it is available and will not impact our voting tax payers directly. We should consider other means of raising revenue before hanging it on our Tourist even more than we already have.

Enough Said!

H. Wayne Clark

Lois Stotesberry

From: Barb Miller <beach2mtnsbarb@gmail.com>
Sent: Thursday, June 01, 2017 10:13 AM
To: middletownfarms@embarqmail.com; adtunnell@coastalnet.com; thpahl@earthlink.net; bsswindell@yahoo.com; lstotesberry@hydecourtnc.gov
Subject: Occupancy Tax Increase

I am the owner of a vacation home on Ocracoke Island. This home is rented via a local realtor who also provides property management services.

I am **totally against** raising the occupancy tax.

1. It targets only people who rent their properties.
2. Marketing should be left to homeowners and the real estate agencies who provide property management services to the homeowners. Return renters are a boon - I have one couple that has rented one or two weeks every year since the early 1990's. An outside marketing entity does not know who these return renters are - owners and local realtors do.
3. Marketing is mostly online now; other media are obsolete. If I want to find a vacation property anywhere, I go on line to search for rentals in my target area.
4. Online marketing is more up to date and easier to maintain and keep updated
5. You cannot compare Ocracoke to Dare - Dare has 20 times more vacation rentals than Ocracoke.

Please vote against increasing the occupancy tax.

Subject: FW: Ye Olde Occupancy Tax and its future

From: "Bill Rich" <brich@hydecourtnc.gov>

Sent: 6/1/2017 3:17:38 PM

To: Rjohnson@hydecourtnc.gov; "Lois Stotesberry" <lstotesberry@hydecourtnc.gov>;
"Kris Noble" <knoble@hydecourtnc.gov>;

Yet another?

From: Fred Westervelt [<mailto:fwestervelt31@gmail.com>]

Sent: Thursday, June 01, 2017 2:10 PM

To: Barry S Swindell; Benjamin Simmons III; Dick Tunnell; Earl Pugh; Tom Pahl; Bill Rich

Subject: Ye Olde Occupancy Tax and its future

Gentlemen:

Of late much heat and considerable light have been directed toward the proposed increase in Occupancy Tax (OT) as a means of meeting County needs.

There are two factors that warrant postponing final consideration of this: first, that the General Assembly is said to have on its agenda the elimination of its final control over County management of Sales and Use Tax, and second, that a detailed overall consideration of all relevant tax sources should precede any final decision on this issue.

The arcane nature of the tax codes, often directed "elsewhere" and with some validity seen as "other peoples' money", has bearing. Those whose livelihood is most intimately affected logically feel vulnerable and become defensive when time and again the primary target- recall the recent Health Center, and Ferry Tram, discussions.

I join my "No" with those opposed to swift approval of the proposed OT increase. This is not to appear as a "dog in the manger", so to speak, but as a voice of deterrence until all proper avenues have been fully explored, perhaps including a public referendum. This latter thought would assure that the issue is widely known in the community.

Thank you for your forbearance.

Respectfully,

Frederic Westervelt

Lois Stotesberry

From: Bill Rich <brich@hydecourtync.gov>
Sent: Thursday, June 01, 2017 3:22 PM
To: Rjohnson@hydecourtync.gov; 'Lois Stotesberry'; Kris Noble
Subject: FW: Occupancy Tax Increase

And still another!!!!!!!!!!!!1

From: Ocracoke Island Realty [mailto:BobOakes@OcracokeIslandRealty.com]
Sent: Thursday, June 01, 2017 9:00 AM
To: brich@hydecourtync.gov
Subject: RE: Occupancy Tax Increase

(877) 633-5953



Ocracoke
Island
Realty



Dear Ocracoke Partners,

I attended the public meeting in Ocracoke yesterday afternoon, and I offer the following update on the proposed implementation of an additional 2% occupancy tax (a 66% increase).

The County Manager responded to my recent email to our property owners, and was concerned about my description of “the government” doing the marketing. (Bill Rich has done a superb job as Hyde County manager, and we manage a property for him.) It is actually the Ocracoke Civic and Business Association that would hire a marketing firm and director. However, OCBA has already hired Magellan Strategy with money collected from the current 3% occupancy tax. I also found it interesting that the CEO of Magellan wrote a letter encouraging the increase in occupancy tax and made a comparison between Dare County’s expenses to promote tourism and Ocracoke’s lack of a central plan. The big difference here is in the scale – Dare County has over 10,000 vacation rentals – Ocracoke has less than 500.

The assumption is that Magellan can spend an additional \$320,000 of marketing dollars, and increase bookings by \$3,200,000. I believe this is a very optimistic assumption. My suggestion is to see what Magellan can do with the \$70,000 that has already been invested by the OCBA, before we take the irreversible action of increasing the occupancy tax.

In his message to the Board, the County Manager noted the decrease in valuation in Hyde County, and a shortfall of \$100,000 in funding for emergency medical services. There is a possibility that the \$100,000 could be funded from fund balance (reserves) for the county. Valuations have decreased in the last decade, and they haven’t recovered. This seems like a poor time to add to the costs of vacationing on Ocracoke. Someone at the meeting described the increase as a cost to the guests. I think this is a common misconception, that the guest is the only one paying. This additional 2% of the gross comes out of the owner’s pocket as an

opportunity cost, since it reduces the additional rent that can be charged. Rental income is a major factor in determining value, and fewer dollars for rent means reduced value.

Ocracoke Island Realty, on your behalf, collected a little over \$270,000 in occupancy taxes in 2016, about two thirds of the total collected in Hyde County. The occupancy tax supports many worthy and needed projects on Ocracoke with the approximately \$400,000 that is collected each year and many of these projects would be supported by the general fund in other counties. These projects are important to Ocracoke, and the existing occupancy tax has the flexibility to fund these type of expenses, but going back to the same limited group of property owners seems unfair to me, and has the potential for unintended, far reaching consequences on real estate values.

In our quick survey, we had 94 responses from a total of about 300 owners and of those responding, 94.68% (5) were against the increase.

I am including Mr. Rich's response to my initial note below, and my reply. Email addresses for the Board of Commissioners are also included. The County Board is likely to vote on a budget at their next meeting on June 5th. The best chance to defeat this increase is communication with the county commissioners, by email or phone, with respectful objections. The timing is urgent, so if you have an opinion, for or against, it's time to stand up.

Warm regards,

Bob Oakes, CPM
President
Village Realty Holdings, LLC

Initial Response to First Letter:

"Bob,

I am really sorry you sent out an e-mail like this without the facts. I had this same conversation with Jack Whitehead yesterday after he too said the government was going to market the new 2%. There will be a TDA appointed to manage the 2% which will be totally independent of Hyde County. It will have \$320,000 over and above what is created now by our 3% which now is spent on any legal purpose i.e. childcare, firehouse, ballfield etc. All good causes but not heads in beds. The Ocracoke Civic and Business will be the paid tourism arm of the TDA and should be able to fill the shoulder seasons. You can say what you want about records but I can tell you as one of your clients and President of the castle association that we are once again down in our rental income and need the additional marketing of 320k from a TDA to fill this gap. In my case \$800.00 of additional renter tax (2%) will bring in \$8,000.00 additional income to me. This would increase the value of my unit by well over \$100,000.00. This does not even speak to additional employment, food and grocery sales and sales tax in general.

I would ask that you reconsider your position and send out another e-mail to your renters. I know Robert Wells, Jeff Rumley and others would love to see this increase and spike to their bottom line.

The other big part to this is it allows the 3% to kick in \$100,000.00 to our general fund to cover EMS and other services provided in season for the tourist. The 3% Occupancy Tax Board will also have another 50 to 60 k after helping the county which could go towards community activities.

Bob, I have the utmost respect for you and OIR but this time you are way off tract."

My Reply:

"Dear Bill,

Thanks for your note. Your conversation with Jack included the point that we hadn't communicated with the property owners we represent to get their opinions. My email was intended to let our property owners know my opinion on the longer term consequences of a targeted tax increase on one segment of the business community, and to ask for their point of view.

I appreciate your business as a property owner, and understand the desire to increase the income from rentals in the shoulder season. I can share the information below as a significant improvement from last year, and I expect that trend to continue.

Courtyard Villas 1/1/17-5/31/17, compared to 2016

Grand Totals:

- Current \$80,490
- Previous \$58,857
- Change \$21,634
- Growth 36.8%

Ocracoke Island Realty 1/1/17-5/31/17, compared to 2016

Grand Totals:

- Current \$913,716
- Previous \$742,550
- Change \$171,166
- Growth 23.1%

But I respectfully disagree that a Tourism Bureau and an increase in the tax on one segment of the community is the correct action. The marketing

world is moving fast, and moving away from “shotgun”, mass media, to personalized digital marketing. Consumers want to book where they look. The private sector ends up competing with Tourism Authority for the best search terms on Google.

The occupancy tax increase is just an easy target, and the consequences, including some that are unexpected and unintended, are out in the future. Combined with continued access issues and increased insurance costs, I am concerned about a real estate sales market that has not rebounded; an additional tax just reduces the amount of rent the owner can charge. And I think we all know that once a tax is levied, it doesn't go away.

I look forward to sharing my opinion, and the opinions of those that respond to my email. While we may disagree on this issue, I know you and your board have the best interests of Ocracoke and Hyde County at heart. I hope a different solution that doesn't rely on one group of property owners can be found."

Contact The Board of Commissioners:

Again, The County Board is likely to vote on a budget at their next meeting on June 5th.

The best chance to defeat this increase is communication with the county commissioners, by email or phone, with respectful objections.

The timing is urgent, so if you have an opinion, for or against, it's time to stand up. Use the link below to access Hyde County Commissioners contact information.

[**County Commissioners Contact Info »**](#)

Contact Us

Ocracoke Island Realty
1075 Irvin Garrish Hwy
Ocracoke, NC United States 27960
Phone: (877) 633-5953

Want to be Removed?

No problem, [click here](#)
and we won't bug you again.



Email Marketing Solutions by  bluetent

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: June 5, 2017
Presenter: County Manager Bill Rich
Attachment: No

ITEM TITLE: EMPLOYEE/VOLUNTEER OF THE MONTH

SUMMARY: Manager Bill Rich will announce the Employee and/or Volunteer of the Month.
The recipient will spin the "Wheel of Thanks."

RECOMMEND: Congratulations.

Motion Made By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Motion Seconded By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Vote: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: June 5, 2017
Presenter: Citizens
Attachment: No

ITEM TITLE: PUBLIC COMMENTS

SUMMARY: Citizens are afforded an opportunity at this time to comment on issues they feel may be of importance to the Commissioners and to their fellow citizens.

Comments should be kept to (3) minutes and directed to the entire Board, not just one individual Commissioner, staff member or to a member of the audience:

Time for one person cannot be used by another person.

Comments that reflect the need for additional assistance will be directed to the County Manager or referred to a future meeting agenda.

RECOMMEND: Receive comments.

Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: June 5, 2017
Presenter: County Manager Bill Rich
Attachment: Yes

ITEM TITLE: RESOLUTION AUTHORIZING COUNTY MANAGER TO RECONCILE DEPARTMENT BUDGETS

SUMMARY: County Manager Rich will reconcile departmental budgets prior to year-end closeout under the following conditions:

- transfer amounts between objects of expenditure within a department except salary amounts without limitations
- transfer amounts up to \$10,000 between departments of the same fund with an official report of such transfers to be made available for approval at the next meeting of the Board of Commissioners
- not transfer any amounts between funds nor from contingency within any fund
- assign legal costs to departments based upon the legal issue involved

RECOMMEND: ADOPT

Motion Made By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Motion Seconded By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Vote: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Board of Commissioners

Earl Pugh, Jr., Chair
Barry Swindell, Vice-Chair
Benjamin Simmons, III
Tom Pahl
Dick Tunnell

COUNTY OF HYDE

30 Oyster Creek Road
PO Box 188
SWAN QUARTER, NORTH CAROLINA 27885
252-926-4400
252-926-3701 Fax

Bill Rich
County Manager

Fred Holscher
County Attorney

Lois Stotesberry, CMC, NCCCC
Clerk to the Board



Resolution Authorizing County Manager to Reconcile Department Budgets

WHEREAS, in accordance with the FY2017-2018 Budget Ordinance the County Manager, with Board of Commissioners authority, will reconcile departmental accounts prior to year-end closeout.

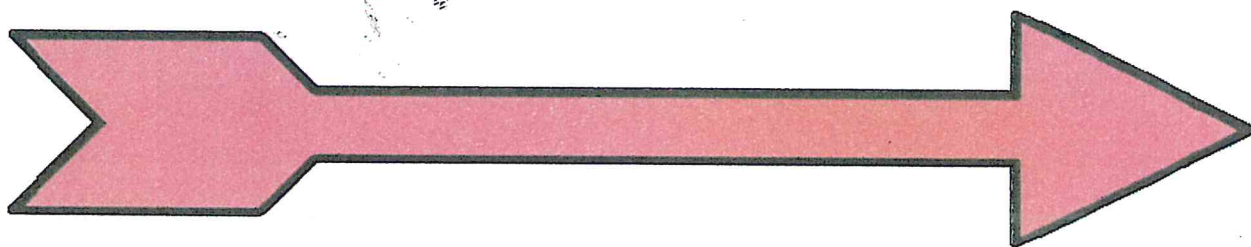
NOW, THEREFORE, BE IT RESOLVED that the Hyde County Board of Commissioners authorizes the County Manager to reconcile departmental budgets for year-end closeout under the following conditions:

- transfer amounts between objects of expenditure within a department except salary amounts without limitations
- transfer amounts up to \$10,000 between departments of the same fund with an official report of such transfers to be made available for approval at the next meeting of the Board of Commissioners
- not transfer any amounts between funds nor from contingency within any fund
- assign legal costs to departments based upon the legal issue involved

Adopted this the 5th day of June, 2017, in Hyde County, North Carolina.

Earl Pugh, Jr., Chairman
Hyde County Board of Commissioners

Attest: _____
Lois Stotesberry, Clerk to the Board
Hyde County Board of Commissioners



**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: June 5, 2017
Presenter: County Manager Bill Rich
Attachment: Yes

ITEM TITLE: RESOLUTION – RELATING TO THE BUDGET FOR FISCAL YEAR
2017-2018

SUMMARY: County Manager Bill Rich will present “Resolution of the Board of
County Commissioners of Hyde County, North Carolina, Relating To The
FY2017-2018 Budget.

RECOMMEND: ADOPT

Motion Made By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Motion Seconded By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Vote: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl



**BOARD OF COMMISSIONERS
THE COUNTY OF HYDE
NORTH CAROLINA**

**RESOLUTION
RELATING TO THE BUDGET
FOR FISCAL YEAR 2017-2018**

WHEREAS, the Board of County Commissioners desires to establish a detailed fiscal year budget (July 1, 2017 through June 30, 2018) for the County of Hyde, North Carolina, and;

WHEREAS, the Board of Commissioners is adopting a Budget Ordinance for the July 1, 2017-June 30, 2018 fiscal year and said Ordinance incorporates this Resolution into the Ordinance as the Budget for Hyde County for this period;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby adopts the following goals regarding items contained within the attached "FY2017-2018 Hyde County Budget:"

1. The County Commissioners shall continue to make economic development, community development and tourism that creates quality job opportunities and increases the tax base a very high priority.
2. The County Commissioners shall continue to support the expansion of infrastructure services to the citizens of the County.
3. The County Commissioners shall continue to expect a high level of customer service in all interactions with County government.

BE IT FURTHER RESOLVED that the Board of Commissioners hereby adopts the following County Manager's objectives regarding items contained within "FY2017-2018 Hyde County Budget", and additional expectations and commitments as follows:

1. Continue to maintain a healthy unassigned fund balance.
2. Operate within the adopted budget with an emphasis on cost savings and reduced expenses.
3. Continue to support cooperative efforts with US Fish and Wildlife, North Carolina Wildlife Resources Commission, North Carolina Department of Transportation/Ferry Division, and Dare County to increase eco-friendly tourism on both the Mainland and Ocracoke Island.
4. Continue developing a public private partnership for the Mattamuskeet Lodge.
5. Maintain a highly developed EMS Department.
6. Support our newly established Beaufort County Community College satellite campus and Beaufort-Hyde-Martin Library at the Davis Center.
7. Continue to work with our Lobbyist to maintain total communication with our state and federal elected officials.

8. NO INCREASES in ferry tolls. Establish State funding of all new ferries and promote possible elimination of all ferry tolls.
9. Continue total support of passenger ferry service between Hatteras and Ocracoke, and the corresponding infrastructure that goes along with this adventure. Continue exploration for restoration of the short route.
10. NO INCREASES in Hyde County real estate tax rate, other than the revenue neutral rate established in conjunction with the reevaluation.
11. Implement a debit/credit billing system in the Tax Office in conjunction with our new Farragut software system.
12. Increase Hyde County tax collection rate by two percentage points
13. Continue economic development through the Revolving Loan Fund
14. Continue to develop an internal self-sustaining IT department which will become a profit center for Hyde County
15. Create a non-emergent ambulatory service through our EMS on Hyde's mainland which will be self-sustaining and will also become a profit center for Hyde County
16. Stay active in the community via Meals on Wheels, Senior Center, 4-H Center and continue our support of Hotline, Food Bank, Chamber, Engelhard Recreation Park, and Ocracoke Community Park.
17. Use FEMA lands for community and County use; gardens, vineyards, and planted trees
18. Continue to be responsible stewards of our magnificent county

BE IT FURTHER RESOLVED that any narrative language contained in the attached budget document and this Resolution is subordinate to any language in conflict with the Budget Ordinance in which this Resolution is referenced but that any figures and narrative language contained in this Resolution or the attached budget document is otherwise binding; and,

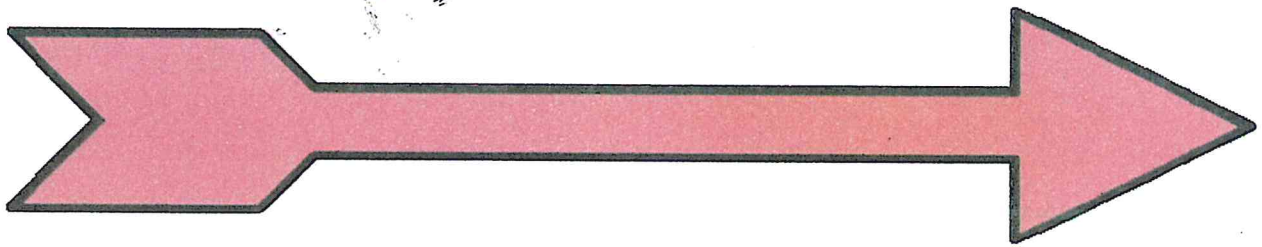
BE IT FURTHER RESOLVED that a copy of this resolution, shall be recorded in the minutes of the Board of Commissioners but that the original version of the attached "FY2017-2018 Hyde County Budget" with the Budget Officer's initials on each page shall be kept on file in the office of the Clerk to the Board of County Commissioners.

Duly adopted the 5th day of June, 2017.

Attested by:

Lois Stotesberry, Clerk
Hyde County Board of Commissioners

Earl Pugh, Jr., Chair
Hyde County Board of Commissioners



Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: June 5, 2017
Presenter: County Manager Bill Rich
Attachment: Yes

ITEM TITLE: HYDE COUNTY FY2017-2018 BUDGET ORDINANCE

SUMMARY: After conducting public hearing and receiving citizen's questions and comments on the budget, County Manager Bill Rich at this time will present the Hyde County FY2017-2018 Budget Ordinance for Board adoption.

RECOMMEND: ADOPT

Motion Made By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Motion Seconded By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Vote: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Ordinance No. 2017-06-01

**AN ORDINANCE OF THE BOARD OF COUNTY
COMMISSIONERS OF HYDE COUNTY, NORTH CAROLINA,
RELATING TO THE FY2017-2018 BUDGET**

Be It Ordained By the Board of Commissioners of Hyde County, North Carolina:

ARTICLE I. BUDGET RESOLUTION

This Ordinance hereby incorporates by reference in its entirety Resolution titled "A Resolution of the Board of Commissioners of Hyde County, North Carolina Establishing a Budget for the County of Hyde for FY2017-2018", adopted by the Board of Commissioners on June 05, 2017, and all language in said Resolution is incorporated into this Ordinance as if it were included within the body of this Ordinance. Said Resolution may hereafter be referred to as the "Budget Resolution".

ARTICLE II. GENERAL FUND

SECTION 1 – Appropriations: For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the General Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018 in accordance with the Budget Resolution and the chart of accounts heretofore established for this county:

General Government:

Governing Board.....	\$ 28,164.63
Administration.....	1,125,781.29
IT.....	76,359.46
Elections.....	78,758.78
Finance.....	174,053.77
Tax Supervisor.....	202,905.42
Legal.....	35,000.00
Register of Deeds.....	186,398.69
Planner.....	116,563.09
Davis School Expenses.....	13,200.00
Public Building Maintenance.....	412,279.98
Court Facilities.....	10,000.00
Various Grants.....	80,000.00
Human Resources.....	72,989.12

Public Safety:

Sheriff.....	\$ 1,291,757.62
Jail.....	103,750.00

Alcoholic Rehabilitation.....	1,800.00
Emergency Management.....	189,336.09
Volunteer Fire Departments.....	144,750.00
State Forestry Program 35%.....	67,990.00
Inspections.....	153,496.87
Emergency Medical Services.....	1,617,812.66
Medical Examiner.....	3,000.00
Transportation:	
Airport.....	\$ 93,000.00
Elderly & Handicapped Transportation.....	98,990.00
Environmental Protection:	
Solid Waste.....	\$ 964,999.50
Soil Conservation Administration.....	142,996.64
Economic & Physical Development:	
Cooperative Extension.....	\$ 145,590.00
Juvenile Crime Prevention.....	54,888.00
Human Services:	
Health.....	\$ 336,700.60
Environmental Health.....	58,231.83
Food & Lodging.....	46,853.78
Family Planning - State.....	113,196.67
Maternal Health-State.....	44,355.33
Health Promotion – Risk Reduction.....	35,268.87
Immunization Action Plan.....	6,479.86
Child Health – State.....	66,543.45
Women, Infants & Children.....	26,856.82
Communicable Diseases.....	22,473.82
Public Management Entity.....	9,231.47
Breast & Cervical Cancer.....	9,930.93
Adult Health.....	117,291.47
Medication Assistance Program.....	16,295.65
Private Well Program.....	2,434.34
Bioterrorism Response Preparedness.....	31,303.26
KB Reynolds Grant.....	22,383.44
Hyde Transit.....	40,000.00
Child Services Coordinator.....	14,041.26
Pregnancy Care Management.....	12,523.62
Mental Health.....	10,915.00
Family Connects Program.....	12,809.20
BF Peer Counselor.....	8,007.78
KBR Interpreter Outreach.....	65,918.80

Social Services	
Administration.....	\$ 1,102,833.30
Title III.....	44,346.00
SAD-SAA.....	50,000.00
Medicaid.....	267,123.00
Public Service Assistance.....	2,500.00
CAPS Program.....	54,287.82
Day Care Support Services.....	80,000.00
Day Care.....	126,662.00
Mattamuskeet Opportunities.....	152,331.32
Other Human Services	
Elderly Nutrition.....	\$ 33,723.00
Veteran Service Officer.....	10,157.68
Cultural Arts:	
Beaufort County Arts Council.....	\$ 1,000.00
BHM Regional Library.....	51,000.00
Education:	
Current Expense.....	\$ 1,627,037.00
Capital Outlay Sales Tax.....	307,140.00
QZAB Payment.....	55,964.00
QSCB Payment.....	216,934.49
Transfers to Other Funds:	180,556.00
Contingency.....	\$ -0-
TOTAL GENERAL FUND	\$13,180,255.00

SECTION 2 – Revenues: For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Ad Valorem Taxes.....	\$ 6,805,446.00
Sales Tax.....	1,714,300.00
Other Tax and License.....	113,621.70
Unrestricted Intergovernmental.....	127,000.00
Restricted – Other.....	422,539.00
Restricted – Social Services.....	1,318,735.40
Restricted – Health.....	739,332.00
Permits and Fees.....	147,385.00
Sales and Service.....	564,900.00
Investment Earnings	12,000.00
Miscellaneous.....	70,360.00
Transfers and Fund Balance.....	1,144,635.90

TOTAL GENERAL FUND REVENUE**\$13,180,255.00****ARTICLE III. HYDE COUNTY WATER/SEWER SYSTEM FUND**

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the Hyde County Water System Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Expenditures..... \$1,600,000.00

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the Hyde County Water System Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Sale of Water.....	\$1,001,000.00
Connection Fees.....	3,000.00
Prison Water Charges.....	255,000.00
Prison Sewer Charges.....	305,000.00
Interest Earned.....	4,000.00
Penalties & Interest.....	18,000.00
NC Motor Fuel Tax Refund.....	2,000.00
Meter Installation.....	10,000.00
Miscellaneous.....	2,000.00
	\$1,600,000.00

ARTICLE IV. OCRACOCKE MOSQUITO TAX FUND

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the Ocracoke Mosquito Tax Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Expenditures..... \$ 48,383.00

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the Ocracoke Mosquito Tax Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Prior Tax.....	\$ 2,000.00
DMV Prior.....	50.00
Current Tax.....	45,333.00

DMV Current.....	1,000.00
	<u>\$ 48,383.00</u>

ARTICLE V. FINES AND FORFEITURES

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the Fines and Forfeitures Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Court.....	\$ 56,500.00
------------	--------------

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the Fine and Forfeitures Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Court.....	\$ 56,500.00
------------	--------------

ARTICLE VI. CAPITAL RESERVE FUND

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Transfers	\$ 5,000.00
-----------	-------------

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the Capital Reserve Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Interest on Investment.....	\$ 5,000.00
-----------------------------	-------------

ARTICLE VII. WEST/QUARTER FUND

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the West/Quarter Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Expenditures.....	\$ 4,090.00
-------------------	-------------

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the West/Quarter Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Prior Taxes.....	\$ 140.00
Current Taxes.....	3,800.00
Interest Earned.....	<u>150.00</u>
	\$ 4,090.00

ARTICLE VIII. REVALUATION

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the Revaluation Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Expenditures.....	\$ 5,500.00
-------------------	-------------

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the Revaluation Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Appropriated from General Fund.....	\$ 5,000.00
Interest on Investment.....	<u>500.00</u>
	\$ 5,500.00

ARTICLE IX. 4-H FUND

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the 4-H Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Expenditures.....	\$ 22,780.00
-------------------	--------------

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the 4-H Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Fees Collected.....	\$ 22,780.00
---------------------	--------------

ARTICLE X. OCRACOCKE OCCUPANCY TAX FUND

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the Ocracoke Occupancy Tax Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Expenditures.....	\$	385,217.00
-------------------	----	------------

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the Ocracoke Occupancy Tax Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Occupancy Tax – Ocracoke.....	\$	381,717.00
Interest Earned.....		<u>3,500.00</u>
	\$	385,217.00

ARTICLE XI. MAINLAND OCCUPANCY TAX FUND

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the Mainland Occupancy Tax Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Expenditures.....	\$	8,000.00
-------------------	----	----------

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following revenues are hereby appropriated in the Mainland Occupancy Tax Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Occupancy Tax Mainland.....	\$	8,000.00
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ARTICLE XII. AIRPORT IMPROVEMENT FUND

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the Airport Improvement Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Expenditures	\$	160,000.00
--------------	----	------------

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the Airport Improvement Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Grant	\$ 144,000.00
Appropriation from General Fund	<u>16,000.00</u>
	160,000.00

ARTICLE XIII. SWAN QUARTER DIKE FUND

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the Swan Quarter Dike Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Expenditures	\$ 5,000.00
--------------	-------------

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the Swan Quarter Dike Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Current Taxes	\$ 5,000.00
---------------	-------------

ARTICLE XIV. SENIOR CENTER FUND

For purposes of summary only as the actual figures are contained in the Budget Resolution, the following amounts are hereby appropriated in the Senior Center Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Expenditures	\$ 121,956.58
--------------	---------------

For purposes of summary only as the actual figures are contained in the Budget Resolution, it is estimated that the following revenues will be available in the Senior Center Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Albemarle Commission.....	\$ 9000.00
Bldg Rent – Senior Center.....	400.00
Appropriation from General Fund	105,556.58
Grants.....	6,000.00
Fund Raisers.....	<u>1,000.00</u>
	\$ 121,956.58

ARTICLE XV. SCHOOL APPROPRIATIONS

SECTION 1 – The appropriations to the Board of Education, first, shall be made from any such funds which are dedicated to the use of the schools, and secondly, shall be made from the general county fund revenues to the extent necessary to meet the approved appropriation.

SECTION 2 – For purposes of summary only as the actual figures are contained in the Budget Resolution, the total appropriation for Current Expense from the General Fund is \$1,627,037.00

SECTION 3 – Except as otherwise provided in this Budget Ordinance or the Budget Resolution, this Budget Ordinance hereby incorporates by reference in its entirety the “PROPOSED BUDGET OF THE HYDE COUNTY BOARD OF EDUCATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2017 and ENDING JUNE 30, 2018” as presented to the Board of Commissioners and all language in said Proposed Budget is incorporated into this Ordinance as if it were included within the body of this Ordinance. Said Proposed Budget may hereafter be referred to as the “School Budget”.

ARTICLE XVI. OTHER PROVISIONS

SECTION 1 – The Hyde County Manager in his capacity as Budget Officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- (a) He may transfer amounts between objects of expenditure within a department, except salary amounts, without limitations.
- (b) He may transfer amounts up to \$10,000 between departments of the same fund with an official report on such transfers at the next regular meeting of the Board of Commissioners.
- (c) He may not transfer any amounts between funds nor from any contingency appropriation within any fund.
- (d) He will assign legal costs to departments based upon the legal issue involved.

SECTION 2 - All legal outstanding encumbrances at June 30, 2016 are hereby carried forward and re-appropriated as an amendment to the budget for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

SECTION 3 - Upon acceptance the annual audit for the fiscal year 2016-17 by the County Commissioners so long as such acceptance prior to June 30, 2017, the County Manager shall direct that fifty percent (50%) of the total cash revenue received in the General Fund that is in excess of the total expenses and current liabilities (excluding debt with a maturity on or after July 1, 2016) be transferred from the Unappropriated Reserve in the General Fund to the Capital Reserve Fund. The County Manager shall give a report to the Commissioners of the amount transferred at the next Regular meeting of the Board following the date of such transfer.

ARTICLE XX. TAX LEVY

SECTION 1 – There is hereby levied at the rate of \$0.73 per One Hundred Dollar (\$100) valuation of property listed for taxes as of January 1, 2017, for the purpose of raising the revenue listed in the General Fund, Article II., Section 2, of this Ordinance. Ocracoke Mosquito Control Tax Rate is levied at the rate of \$0.01 per One Hundred Dollar (\$100) valuation of property listed.

SECTION 2 – The rate of tax as shown in Sections 1 above is based upon a total valuation of property for the purpose of taxation of \$890,367,439 and vehicles of \$40,000,000 and an estimated collection rate of 95.70% for real property and 99.79% for vehicles.

A public hearing on this Budget Ordinance was held on June 5, 2017.

This Budget Ordinance was adopted on the 5th day of June, 2017.

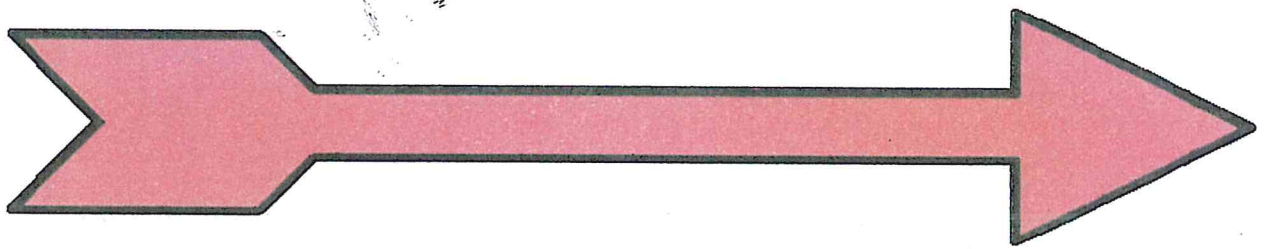
HYDE COUNTY BOARD OF COMMISSIONERS

Earl Pugh Jr., Chairman

ATTEST:

S E A L

Lois Stotesberry, Clerk to the Board



Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: June 5, 2017
Presenter: County Manager Bill Rich
Attachment: No

ITEM TITLE: PROCLAMATION OF SUPPORT:
NAMING PASSENGER FERRY

SUMMARY: The NC Ferry Division is planning to establish ferry service between Hatteras and Ocracoke's Silver Lake Harbor in the Spring of 2018. The Division plans to build two passenger vessels that will run the route. In February, the Division asked for help from students at Ocracoke School in naming one of the two passenger vessels. Of the names submitted, the name "M/V Island Express" was picked as the winner.

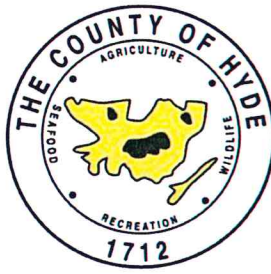
In order to get the process going to the NCDOT Board, the Ferry Division has requested a proclamation of support from Hyde County. We request approval of the proclamation of support for the naming of the first of two passenger ferries, the "M/V Island Express".

RECOMMEND: APPROVE

Motion Made By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Motion Seconded By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Vote: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl



**A PROCLAMATION OF SUPPORT OF THE HYDE COUNTY BOARD OF
COMMISSIONERS SUPPORTING THE NAME “M/V ISLAND EXPRESS” FOR
PASSENGER FERRY**

WHEREAS, the North Carolina Department of Transportation Ferry Division is presently constructing two passenger ferries for ferry service between Hatteras and Ocracoke’s Silver Lake Harbor, to begin in the Spring of 2018; and

WHEREAS, the Ferry Division reached out to students at the Hatteras Elementary and Ocracoke School to come up with a name for one of the two passenger ferries that reflect the history and culture of Hatteras and Ocracoke Islands; and

WHEREAS, of the names submitted, the Division has picked “M/V Island Express” as the winner; and

WHEREAS, the winning name will be submitted to the NCDOT for approval; and

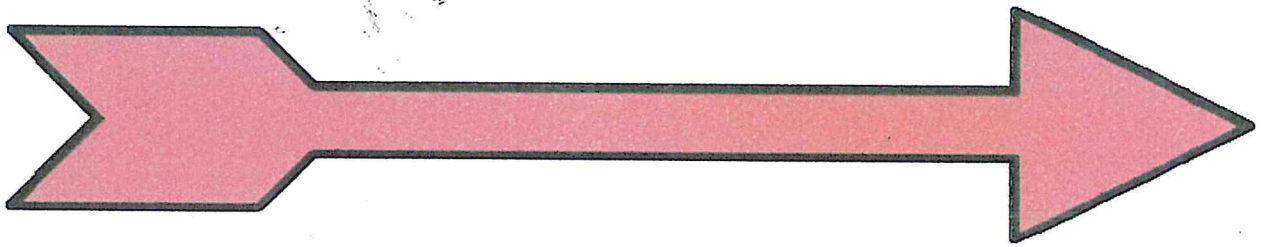
WHEREAS, the Division is asking for a proclamation of support from the Hyde County Commissioners for the naming of the passenger ferry, ‘M/V Island Express’

NOW, THEREFORE, BE IT RESOLVED that the Hyde County Board of Commissioners support the name of ‘M/V Island Express’ as the official name of one of the two passenger ferries that will run the route between Hatteras and Silver Lake Harbor in Ocracoke.

This the 5th day of June, 2017.

Earl Pugh, Jr., Chairman
Hyde County Board of Commissioners

Attest: _____
Lois Stotesberry, Clerk to the Board



**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: June 5, 2017
Presenter: Laurie Potter, Director, DSS
Attachment: Yes

ITEM TITLE: RESOLUTION – HOUSE BILL 608/SENATE BILL 594
FAMILY/CHILD PROTECTION AND ACCOUNTABILITY ACT

SUMMARY: SB594/SB608, the Family Child Protection and Accountability Act would eliminate current county departments of social services and replace them with regional authorities. That would mean your agency would no longer be working with the Hyde County Department of Social Services. Part I of the bills would mandate the regionalization of the 100 county departments of social services into no more than 30 regional authorities.

Regionalization will place additional financial burden on counties. The legislation provides authority to the State to require counties to cover ANY cost the State deems necessary. This equates to an open ended potential financial liability that counties will be unable to project or plan for.

RECOMMEND: Adopt.

Motion Made By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Motion Seconded By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Vote: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

COUNTY OF HYDE

Board of Commissioners

Earl Pugh, Jr., Chair
Barry Swindell, Vice-Chair
Benjamin Simmons, III
Tom Pahl
Dick Tunnell

30 Oyster Creek Road
PO Box 188
SWAN QUARTER, NORTH CAROLINA 27885
252-926-4400
252-926-3701 Fax

Bill Rich
County Manager

Fred Holscher
County Attorney

Lois Stotesberry, CMC, NCCCC
Clerk to the Board



RESOLUTION

House Bill 608/Senate Bill 594 Family/Child Protection and Accountability Act

WHEREAS, protecting children from maltreatment is of the utmost importance and is a primary function of County Departments of Social Services; and

WHEREAS, House Bill 608/Senate Bill 594 (Family/Child Protection & Accountability Act), Regional Social Services Departments; Working Group, calls for the development of a plan to regionalize the County Departments of Social Services into 30 or fewer Regional Social Services; and

WHEREAS, hundreds of children, families, and adults are served each year by the Hyde County Department of Social Services; and the Hyde County Department of Social Services, the Hyde County Department of Social Services Board and the Hyde County Board of Commissioners have worked consistently to improve and develop a level of excellence in Hyde County's DSS child welfare programs; and

WHEREAS, the Board of County Commissioners attests that positive results for families and children in Hyde County have been achieved through collective County vision, commitment and persistence, and through vital community partnerships; and

WHEREAS, we believe the child welfare/protection system in Hyde County is functioning well and undergoes continuous improvement for which it is accountable; and

WHEREAS, the Board of County Commissioners wants what is best for Hyde County's children and families; we support a thorough and inclusive study, as is routinely done, to determine the most effective approach(s) for our State as a whole; we urge you to consider that perhaps one size does not fit all; and

WHEREAS, changing the administrative structure of Social Services within our State is not a small endeavor; we must thoroughly study and evaluate what will be the best structural model(s) for our State; we believe all stakeholders such as County Directors of Social Services, Representatives from County Boards of Social Services and/or Consolidated County Human Services Boards, Social Services Attorneys, County Commissioners, and County Managers should be included in determining the best model for Social Services Administration in our State; and

NOW, THEREFORE, BE IT RESOLVED that we, the Hyde County Board of Commissioners, implore the State of North Carolina and the members of the North Carolina General Assembly (NCGA) to be diligent, thoughtful, proactive, and open-minded regarding possible service delivery models for Social Services Administration.

BE IT FURTHER RESOLVED, that the Hyde County Board of Commissioners hereby urges you to support amendments to Part 1 of House Bill 608/Senate Bill 594 which would call for a study commission to thoroughly evaluate all possible models of Social Services Administration and include all stakeholders in the study process prior to a decision being made regarding any model of forced regionalization.

Adopted this the 5th day of June, 2017.

Earl Pugh, Jr., Chairman

ATTEST:

Lois Stotesberry, Clerk to the Board

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: June 5, 2017
Presenter: County Manager Bill Rich
Attachment: No

ITEM TITLE: Appointment of Jury Commission

SUMMARY: In each county, there is a jury commission that is made up of a panel of three citizens who serve as jury commissioners, which are appointed positions. The senior resident superior court judge, elected clerk of superior court, and board of county commissioners each appoint one member to serve on the jury commission. The appointee must be a qualified voter in the county where they will serve. The commissioners serve a two year term although they may be re-appointed to an unlimited number of terms. It is the ultimate decision of the official that appointed the commissioner to re-appoint that jury commissioner once his or her term expires.

On July 1, 2015, the Hyde County Board of Commissioners re-appointed Doris Weston to serve on the Hyde County Jury Commission for a term of two years ending June 30, 2017.

RECOMMEND: IT IS RECOMMENDED FOR THE HYDE COUNTY BOARD OF COMMISSIONERS TO RE-APPOINT DORIS WESTON TO SERVE A 2 YEAR TERM ON THE HYDE COUNTY JURY COMMISSION BEGINNING JULY 1, 2017.

RECOMMEND:

Motion Made By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Motion Seconded By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Vote: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: June 5, 2017
Presenter: County Manager Bill Rich
Attachment: Yes

ITEM TITLE: DISPOSAL OF ELECTRONICS

SUMMARY: Due to the large increase of the disposal of electronics and no funding available from the state, it has become a financial burden on Hyde County. Because of the law as presented below, the electronics cannot be disposed of in the landfill by the counties, but has to contract the services of an electronic specialty company to remove the products. NCGS 130A-309.130 through 130A-309.141 establish an electronics recycling program for the state of North Carolina with shared responsibility between computer manufacturers, television manufacturers, retailers, local and state government, and consumers. The goal of the program is to foster a statewide recycling infrastructure for these materials. In conjunction with this program, the law bans televisions, computers, monitors, printers, scanners, and peripherals such as keyboards and mice from disposal in landfills. We are requesting approval to send the attached letter of support in favor of the Solid Waste Section reviewing and rewriting the law above permitting the disposal of electronics in landfills, provided the landfill meets the requirements supported by the Solid Waste Section and has no environmental or public health impacts.

RECOMMEND: APPROVE

Motion Made By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Motion Seconded By: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Vote: ☐ Earl Pugh, Jr.
☐ Barry Swindell
☐ Dick Tunnell
☐ Ben Simmons
☐ Tom Pahl

Board of Commissioners

Earl Pugh, Jr., Chair
Barry Swindell, Vice-Chair
Benjamin Simmons, III
Tom Pahl
Dick Tunnell

COUNTY OF HYDE

30 Oyster Creek Road
PO Box 188
SWAN QUARTER, NORTH CAROLINA 27885
252-926-4400
252-926-3701 Fax

Bill Rich
County Manager

Fred Holscher
County Attorney

Lois Stotesberry, CMC, NCCCC
Clerk to the Board



June 6, 2017

Albemarle Regional Solid Waste Management Authority
Mr. Ralph Hollowell, Environmental Health Director
PO Box 189
Elizabeth City, NC 27907-0189

Dear Mr. Hollowell:

Due to the large increase of the disposal of electronics and no funding from the State of North Carolina, it has become a financial burden of Hyde County. Because of the law as presented below, the electronics cannot be disposed of in the landfill by the counties, but has to contract the services of an electronic specialty company to remove the products from the county. N.C. General Statutes 130A-309.130 through 130A-309.141 ("Discarded Computer Equipment and Television Management") establish an electronics recycling program for the state of North Carolina with shared responsibility between computer manufacturers, television manufacturers, retailers, local and state government, and consumers. The goal of the program is to foster a statewide recycling infrastructure for these materials. In conjunction with this program, the law bans televisions, computers, monitors, printers, scanners and computer peripherals such as keyboards and mice from disposal in landfills. This letter is in support of the Solid Waste Section reviewing and rewriting the law above permitting the disposal of electronics in landfills, provided the landfill meets the requirements supported by the Solid Waste Section and has no Environmental or Public Health impacts.

Let it be known that the Hyde County Board of Commissioners voted unanimously on June 5, 2017 to support the above information with further action being taken by the North Carolina Solid Waste Section to resolve this concern.

Yours Truly,

Bill Rich
Hyde County Manager